

DANSKE HYPOTEK AB (publ)

(registered as a public limited liability company in Sweden)

EUR 10,000,000,000

Programme for Issuance of Covered Bonds

*Under this EUR 10,000,000,000 Programme for Issuance of Covered Bonds (the “**Programme**”), Danske Hypotek AB (publ) (the “**Issuer**”) (a wholly-owned subsidiary of Danske Bank A/S and thus a part of the Danske Bank Group (as defined below)) may from time to time issue covered bonds (säkerställda obligationer) (“**Covered Bonds**”) in accordance with the Swedish Issuance of Covered Bonds Act (Lag 2003:1223) om utgivning av säkerställda obligationer, as may be supplemented, amended, modified or varied from time to time (the “**Covered Bonds Act**”), denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below).*

*Covered Bonds may be issued in bearer form (“**Bearer Covered Bonds**”) or uncertificated book entry form cleared through the Danish central securities depository (“**VP Systems Covered Bonds**” and “**VP**”, respectively).*

*This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive (as defined below). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive. Such approval relates only to the Covered Bonds which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area (each, a “**Member State**”).*

This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and has been prepared for the purpose of giving information with regard to the issue of Covered Bonds under the Programme during the period of twelve months from the date of its publication.

*Application has been made to the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) for Covered Bonds issued under the Programme (other than Exempt Covered Bonds) to be admitted to the Official List and trading on its regulated market. References in this Base Prospectus to Covered Bonds being “**listed**” (and all related references) on the Irish Stock Exchange shall mean that such Covered Bonds have been admitted to the Official List and to trading on its regulated market. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”).*

The Programme also permits Covered Bonds to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

*The requirement to publish a prospectus under the Prospectus Directive only applies to Covered Bonds which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to “**Exempt Covered Bonds**” are to Covered Bonds for which no prospectus is required to be published under the Prospectus Directive. The Central Bank has neither reviewed nor approved information contained in this Base Prospectus pertaining to Exempt Covered Bonds.*

*Prospective investors should have regard to the factors described in the section entitled “**Risk Factors**” in this Base Prospectus.*

Arranger

DANSKE BANK

Dealer

DANSKE BANK

The date of this Base Prospectus is 28 March 2018.

This Base Prospectus is to be read in conjunction with all documents that are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus. Accordingly references herein to this “**Base Prospectus**” are to this document, as supplemented from time to time, including such documents incorporated by reference.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms or Pricing Supplement for each Tranche (as defined in “Terms and Conditions of the Covered Bonds” below) of Covered Bonds issued under the Programme. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised by the Issuer or the Dealers to give any information or to make any representation other than those contained or that are incorporated by reference in this Base Prospectus and referred to below under “Documents Incorporated by Reference” in this Base Prospectus 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.

None of the Dealers has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or any of them as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme, any Covered Bonds or the distribution of any Covered Bonds. No Dealer accepts liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Covered Bonds issued under the Programme will be liabilities only of the Issuer and not of any other person, including the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer or the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Covered Bonds, should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the pool of assets maintained by the Issuer which have the benefit of a statutory preference under the Covered Bonds Act (the “**Issuer Cover Pool**”). The assets comprising the Issuer Cover Pool will change from time to time. The Issuer will make portfolio information available to investors on a quarterly basis. Such information will be available on the Issuer’s website at www.danskehypotek.se.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer and/or the Issuer Cover Pool 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 the Issuer Cover Pool during the life of the Programme. Investors should review, *inter alia*, the documents deemed incorporated herein by reference when deciding whether or not to purchase any Covered Bonds.

The Covered Bonds have not been, and will not be, registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

The distribution of this Base Prospectus and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. None of the Issuer and the Dealers represents that this document may be lawfully

distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers that would permit a public offering of any Covered Bonds or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Covered Bonds 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 Covered Bonds in the United States, the European Economic Area, the United Kingdom, Sweden, Denmark and Japan (see “Subscription and Sale” below).

This Base Prospectus has been prepared on the basis that any offer of Covered Bonds in any Member State which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of any Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of any Covered Bonds in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. As used herein, the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

The Issuer is a wholly-owned subsidiary of Danske Bank A/S (“**Danske Bank**” or the “**Parent**” and, together with its subsidiaries, the “**Group**”) and has been established for the purpose of managing the Group’s issuance of Covered Bonds under the Covered Bonds Act.

This Base Prospectus includes “forward-looking statements”. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer’s financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer will operate in the future. Important factors that could cause the Issuer’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed in the section entitled “*Risk Factors*”. These forward-looking statements speak only as of the date on which they are made. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

All references in this Base Prospectus to “**U.S. Dollars**” refer to United States Dollars, those to “**SEK**” refer to Swedish Kronor, those to “**DKK**” refer to Danish Kroner and those to “**euro**”, “**EUR**” 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, of those members of the European Union which are participating in the European economic and monetary union (the “**Eurozone**”).

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law. Capitalised terms used in this Base Prospectus have been defined in the section entitled “Terms and Conditions of the Covered Bonds” or throughout this Base Prospectus. Accordingly, references to

the Terms and Conditions shall be construed as references to the Terms and Conditions unless the context specifically states otherwise.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF COVERED BONDS, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE RELEVANT FINAL TERMS OR PRICING SUPPLEMENT MAY OVER-ALLOT COVERED BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE COVERED BONDS 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 COVERED BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF THIRTY DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF COVERED BONDS AND SIXTY DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF COVERED BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the relevant Final Terms or Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”) will be disclosed in the relevant Final Terms or Pricing Supplement. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. A list of registered credit rating agencies is available on the European Securities and Markets Authority (“**ESMA**”) website at www.esma.europa.eu/page/List-registered-and-certified-CRAs (list last updated on 15 March 2018).

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

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

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

A determination will be made in relation to each issue of Covered Bonds about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, 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.

IMPORTANT – EUROPEAN ECONOMIC AREA RETAIL INVESTORS

If the relevant Final Terms or Pricing Supplement, as the case may be, in respect of any Covered Bonds includes a legend entitled “Prohibition of Sales to European Economic Area Retail Investors”, the Covered Bonds are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

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RISK FACTORS

Prospective investors should read the entire Base Prospectus and reach their own views prior to making any investment decision.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Covered Bonds issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme are also described below.

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

The following is a general discussion of certain risks typically associated with the Issuer and the acquisition and ownership of Covered Bonds. In particular, it does not consider an investor's specific knowledge and/or understanding about risks typically associated with the Issuer and the acquisition and ownership of Covered Bonds, whether obtained through experience, training or otherwise, or the lack of such specific knowledge and/or understanding, or circumstances that may apply to a particular investor.

Words and expressions defined in the "Terms and Conditions of the Covered Bonds" below or elsewhere in this Base Prospectus have the same meanings in this section, unless otherwise stated.

Risks relating to the Issuer and the Group

There is competition in the mortgage loan business

The mortgage loan business in Sweden is very competitive. Both traditional and new lenders advertise extensively and use targeted marketing and loyalty schemes in an effort to expand their presence in or to facilitate their entry into the market and compete for customers. Increased competition may adversely impact on the Group's position in the market for mortgage business which could adversely affect the Issuer's financial position and, in turn, its ability to service the Covered Bonds.

None of the Arranger, the Dealer or the Issuer have undertaken due diligence in respect of the mortgage loans and other assets contained or to be contained in the Issuer Cover Pool

None of the Arranger, the Dealer, or the Issuer has or will undertake any investigations, searches or other actions in respect of the individual mortgage loans and other assets comprising the Issuer Cover Pool, and there may be issues or concerns that would have been discovered during such investigation that therefore remain undetected. Should such issues be discovered later, there is a risk that they could have a material adverse effect on the Group's and/or the Issuer's business and/or the market value of Covered Bonds (depending on the nature of such issue).

Covered Bonds are obligations of the Issuer only

The Covered Bonds will constitute obligations of the Issuer which have the benefit of a statutory preference under the Covered Bonds Act. An investment in Covered Bonds involves a reliance on the assets of the Issuer Cover Pool and the creditworthiness of the Issuer. Covered Bonds are not guaranteed by any member of the Group or by any other person. In addition, an investment in Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant Covered Bonds.

The Group is exposed to a variety of risks, the most significant of which are credit risk, market risk, liquidity risk, operational risk, insurance risk, pension risk and business risk

The Group is exposed to a number of risks and manages them at different organisational levels. The principal categories of risk are as follows:

- Credit risk: Credit risk is the risk of losses because debtors or counterparties fail to meet all or part of their payment obligations to the Group.
- Market risk: Market risk is the risk of losses because the fair value of the Group's financial assets, liabilities and off-balance-sheet items varies with changes in market prices and rates.
- Liquidity risk: Liquidity risk is the risk of losses because the Group's funding costs become excessive, lack of funding prevents the Group from maintaining its business model, or lack of funding prevents the Group from fulfilling its payment obligations.
- Operational risk: Operational risk is the risk of losses resulting from inadequate or failed internal procedures, people and systems, or from external events, including legal events.
- Insurance risk: Insurance risk in the Group is defined as all types of risk in the Danica group, including market risk and life insurance risk.
- Pension risk: Pension risk is the risk that the Group will be liable for additional cash contributions to Group defined benefit pension plans for current and former employees.
- Business risk: Business risk is the risk that income will not be able to cover losses caused by events affecting the Group's profit before impairment charges, market losses and operational losses.

If any of the above risks materialise, this may result in an adverse effect on the Group's or the Issuer's business, financial conditions and/or results of operations.

The Issuer is exposed to credit risk

The Swedish housing market has been strong for many years, driven by low interest rates, low supply of new homes in growth regions and growth in population, and this has led to continued strong growth in demand for mortgage loans. However, recent price statistics indicate falling prices for both apartments and houses. Housing prices could continue to be under pressure due to historically high levels of housing supply and measures taken by authorities to dampen household lending. The main risks related to the Swedish residential mortgage market are the credit risk associated with borrowers' creditworthiness, their ability to pay the mortgage loan and the value of the mortgaged properties. Should there be a general downturn in the value of property in Sweden, it may result in a deterioration in credit quality and the recoverability of mortgage loans of the Issuer. House prices may be negatively affected should, for example, interest rates or the unemployment level rise quickly. But there are also certain other circumstances that affect the level of credit losses, acceleration and payments of interest and principal amounts, such as changes regarding taxation and/or changes in the political environment. Adverse changes in the credit quality of the Issuer's borrowers and counterparties could affect the recoverability and value of its assets and require an increase in the Issuer's provision for bad and doubtful debts and other provisions which in turn may have an adverse effect on the Group's and/or the Issuer's business, financial condition and/or results of operations.

The Issuer is exposed to liquidity risk

The inability of the Group and/or the Issuer to anticipate and provide for unforeseen decreases or changes in funding sources could have consequences on the Group's and/or the Issuer's ability to meet its payment obligations when they fall due and could result in an investor not being paid in a timely manner. Furthermore, if the Issuer's inability to meet its payment obligations when they fall due is not temporary, it could mean that the Issuer might be considered as insolvent. The Issuer is subject to liquidity requirements in its capacity as a credit institution, supervised by the Swedish Financial Supervisory Authority ("SFSA"), including

a statutory requirement to maintain sufficient liquidity to be able to discharge its obligations as they fall due. Serious or systematic deviations from such regulations may lead to the SFSA determining that the Issuer's business does not satisfy the statutory soundness requirement for credit institutions and could result in the SFSA imposing sanctions against the Issuer. An unforeseen turbulence in the global economy may adversely affect the Group's and/or the Issuer's liquidity, which may also affect some counterparties' willingness to conduct business with the Group or the Issuer which may result in an adverse effect on the business and the results of the Group and/or the Issuer.

The Issuer is exposed to currency risk

Currency risks arise when the present value or cash flow of assets and liabilities, including derivative positions, in a foreign currency are mismatched. Since the Issuer may have parts of its financing in currencies other than SEK, it may be exposed to currency risks. A liquid derivative market enabling the Issuer to swap foreign currencies is therefore essential. The currency risks impose a risk of financial losses due to changes in exchange rates which may have an adverse effect on the Issuer's financial results.

The Issuer is exposed to operational risk

The Issuer's business is dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud or other external or internal crime, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of internal or external systems, for example, those of the Issuer's suppliers or counterparties. Any material disruptions in relation to any operational factors as set out above may have an adverse effect on the Issuer's business, financial condition and/or results of operations.

The Issuer is exposed to systemic risk

Due to the high level of interdependence between financial institutions, the Issuer is subject to the risk of deterioration of the actual or perceived commercial and financial soundness of other financial institutions. Thus a default or financial difficulties of one financial institution may have negative consequences for other financial institutions and may lead to liquidity problems, losses, defaults or worsening of general economic climate in the markets in which the Issuer operates, and this may have an adverse effect on the Issuer's business, financial condition and/or results of operations.

Regulatory changes could materially affect the Group's and/or the Issuer's business

The Group and the Issuer are subject to financial services laws, regulations, administrative actions and policies. Changes in supervision and regulation could materially affect the Group's and/or the Issuer's business, the products and services offered or the value of each of their assets. Although the Group and the Issuer work closely with their regulators and continually monitor the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Group and the Issuer.

The Group and the Issuer are subject to risks as a result of implementation of the European Banking and Capital Markets Union. The Group has entities both within and outside the Eurozone.

The Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks

The Group may become involved in various disputes and legal proceedings in Denmark and other jurisdictions, including litigation and regulatory investigations. The Group's banking and other operations, including its insurance operations, like those of other financial services companies, have been the subject of regulatory scrutiny from time to time. For example, the Group is subject to applicable anti-money laundering

and terrorist financing laws. The supervisory authorities conduct on-going inspections from time to time of the Group's compliance with anti-money laundering legislation that can potentially lead to supervisory actions.

The Issuer and the Group face increased capital and liquidity requirements as a result of the Basel III Framework

The Basel III framework is implemented through Regulation No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the “**CRR**”) and Directive (2013/36/EU) of the European Parliament and of the Council (the “**CRD IV Directive**”). The CRR entered into force on 1 January 2014, and the CRD IV Directive was implemented in Sweden in August 2014. Each of the CRR and the CRD IV Directive covers a wide range of prudential requirements for banks across Member States of the European Economic Area, including capital requirements, stricter and aligned definitions of capital, risk exposure amounts (“**REA**”), large exposure framework and liquidity and funding requirements. The CRD IV Directive covers the overall supervisory framework for banks (including the individual risk assessment) and other measures such as the combined capital buffer requirements, systemically important financial institution (“**SIFI**”), governance and remuneration requirements. As a consequence of the European Banking Authority's (the “**EBA**”) outstanding regulatory technical standards, the Group and the Issuer are subject to the risk of possible interpretational changes.

In addition, the CRD IV Directive includes a requirement for credit institutions to calculate, report, monitor and publish their leverage ratios, defined as their tier 1 capital as a percentage of their total exposure measure. Until a minimum leverage ratio requirement is implemented in the EU, the regulators may apply such measures as they consider appropriate.

On 23 November 2016, the European Commission published its proposal for an EU Banking reform package (the “**EU Banking Reform**”) as part of the finalisation of the Basel III framework and its implementation in the EU. The EU Banking reform package includes proposals to amend the CRR and the CRD IV Directive. The proposed amendments include, *inter alia*, changes to the market risk framework by implementing the fundamental review of the trading book, the counterparty credit risk framework, introduction of a leverage ratio requirement and a net stable funding ratio requirement, revisions to the Pillar 2 framework, transition of International Financial Reporting Standards and its impact on capital ratios and revisions to the framework concerning interest rate risk in the banking book. An agreement on the transition of IFRS 9 effect on prudential capital was reached in November 2017 with effect from 1 January 2018. The implementation of IFRS 9 is expected to have a limited impact on the Issuer's capital ratios. Finalisation of the remaining EU Banking Reform is not expected before well into 2018.

On 7 December 2017, the Basel Committee on Banking Supervision (the “**BCBS**”) published revised standards for measuring credit and operational risk, constraints on the use of internal model approaches and the possible implementation of a broad REA floor based on the standardised approaches for measuring credit, market and operational risk. The amendments of the Basel standards may increase the Group's REA, but it is still too early to assess the impact of these potential changes as the political dialogue on how and when to implement the revised standards in the EU has not yet been initiated. The stipulations of EU legislation are not expected to be fully known until 2021 at the earliest. On the basis of the strong earnings capacity and capitalisation, the Group is confident that it will be able to adapt smoothly to the future changes in the EU regulatory requirements in relation to the revised Basel standards.

The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. In certain limited circumstances, it is possible that the implementation of the directive or the taking of any action under it could affect the value of any Covered Bonds

On 15 May 2014, the European Parliament and the Council of the European Union adopted a directive providing for the establishment of a European Union-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the “**BRRD**”). The BRRD, including the general bail-

in tool and the Minimum Requirement for own funds and Eligible Liabilities (“**MREL**”) (as further described below), has been implemented into Swedish law by the Swedish Resolution Act (*Lag (2015:1016) om resolution*) (the “**Resolution Act**”) and the Precautionary Support Act (*Lag (2015:1017) om förebyggande statligt stöd till kreditinstitut*), both of which entered into force on 1 February 2016. The National Debt Office (*Riksgäldskontoret*) (the “**National Debt Office**”) has been appointed as resolution authority in Sweden and has been given certain powers which can be categorised into preventive powers, early intervention powers and resolution powers. Ultimately, the authority may take control of a failing institution and, for example, transfer the institution to a private purchaser or to a publicly controlled entity pending a private sector arrangement. All these actions can be taken without any prior shareholder approval or any approval by holders of debt.

The general bail-in tool is not intended to apply to secured debt (such as Covered Bonds). However, to the extent that claims in relation to Covered Bonds are not met out of the assets of the Issuer Cover Pool or the proceeds arising from it, Covered Bonds may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in Covered Bondholders losing some or all of their investment.

With the implementation of the BRRD, European banks are required to have bail in-able resources in order to fulfil MREL. There is no minimum European Union-wide level of MREL – each resolution authority is required to make a separate determination of the appropriate MREL requirement for each banking group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each institution.

On 23 February 2017, the National Debt Office presented the finalised model for the calculation of MREL, stating that systemically important institutions need to replace a portion of their existing bond issuance with subordinated bonds. Institutions which are not deemed as systemically important will not be affected by the framework presented by the National Debt Office; in a crisis, such institutions will be declared bankrupt or placed in liquidation rather than resolution. The model presented for the calculation of MREL has taken effect from 1 January 2018 and institutions must progressively build up the volume of subordinated liabilities required to meet the minimum requirement by 2022. As at the date of this Base Prospectus it is not possible to say how the Issuer will be affected by the new framework. Until such decision is made, broadly, MREL will be set at a level equal to the institution’s applicable capital requirements. Consequently, this may require the Issuer to issue debt that can be bailed in. Non-compliance with such requirements could result in the relevant authority withdrawing the Issuer’s licence.

For institutions and groups with operations in more than one jurisdiction (such as the Group), cross-border cooperation and coordination between relevant authorities is necessary for an effective resolution and resolution planning. For these purposes, the BRRD provides for the establishment of resolution colleges. Resolution planning, joint decisions and cross-border implications are also of significance in relation to MREL. While the group-level resolution authority sets its proposal on MREL for the parent and at the consolidated level, the proposal needs to be reconciled with and assessed against MREL set for each subsidiary. The links between MREL and the resolution plan have also been addressed in the draft regulatory technical standards issued by the EBA, with the two joint decisions - the joint decision on the group resolution plan and resolvability assessment, and the joint decision on MREL - running in parallel. It is not possible to predict how, in relation to the Issuer and the Group, the cooperation between the National Debt Office, the Danish financial supervisory authority (the Danish authority in charge of MREL and resolution planning, the “**DFSA**”) and other relevant authorities will function in practice.

In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD, the BRRD requires that all in-scope institutions have sufficient own funds and eligible liabilities available to absorb losses and contribute to recapitalisation if the bail-in tool were to be applied. Each institution must meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authority. The MREL requirement applies to all EU credit institutions (and certain investment firms), not just to those identified as being of a particular size or of systemic importance.

The extent and nature of the MREL requirements are currently being developed, and thus it is not possible to determine the exact impact that they will have on the Issuer or the Group once implemented. The proposals may require members of the Group, which may include the Issuer, to issue a significant amount of additional eligible liabilities in order to meet the new MREL requirements within the required timeframes. If any such member of the Group were to experience difficulties in raising eligible liabilities, the Group may have to reduce its lending or investments in other operations.

The Issuer and the Group may be affected by general economic and geopolitical conditions

The financial services industry generally prospers in conditions of economic growth, stable geopolitical conditions, capital markets that are transparent, liquid and buoyant, and positive investor sentiment. Each of the Group's operating segments is affected by general economic and geopolitical conditions, which can cause the Group's results of operations and financial position to fluctuate from year to year as well as on a long-term basis.

Globally there has been a weakening of productivity growth following the financial crisis. This is also affecting the Nordic countries and raises the prospect that overall growth in production and income will be modest going forward. Financial markets have been characterised by periods of large price movements, and markets are very dependent on central bank policies. Low interest rates and central bank bond purchases have not yet succeeded in raising inflation and inflation expectations in the euro area, and thus the future course of these policies is an important source of uncertainty. Should the global growth not strengthen, there is a risk that this will have a material adverse effect on the Group's and the Issuer's business, financial condition and/or results of operations.

Sweden may be negatively affected by disruptions in the global economy and financial markets, and as the Issuer conducts all of its business activities in Sweden, the Issuer's financial performance is significantly influenced by the general economic conditions of Sweden.

Years of rapid house price increases in Sweden have ended and the trend has reversed in recent quarters. In Sweden residential investment has been an important economic growth driver in previous years, therefore overall growth in the economy can be expected to be negatively affected primarily due to the significant set-back in residential construction activity. Domestic consumption growth has weakened but exports growth is increasing. Overall, growth remains above trend. Despite that, the Swedish Central Bank (*Riksbanken*) maintains a monetary policy of negative interest rates and quantitative easing in order to restore inflation. Low interest rates, among other factors, has led to marked price increases in the housing market, creating the potential risk of further declines that could negatively affect the wider economy. Any sustained decline in the general economic conditions of Sweden may have an adverse effect on the Issuer's business, financial condition and/or results of operations.

The Issuer has started to conduct business recently

The Issuer has conducted its operations as described in the section "*Description of the Issuer*" only as from the date it was granted its licence to operate as a credit market company. Any shortcomings due to the limited experience of operating as a credit market company may have an adverse effect on the Issuer's business, financial condition and/or results of operations.

The Issuer is dependent upon other Group companies and their business

The Issuer will acquire mortgage loans from the Parent. Accordingly, the Issuer is dependent on the business of the Parent to originate loans to be acquired by the Issuer. The Issuer will therefore be affected by general economic and business conditions which may affect not only the Issuer but also the Parent and the Group.

In addition, and as discussed in the section “*Description of the Issuer*” and, in particular, the sub-sections “*Dependency on the Parent*” and “*Business strategy and funding structure – Outsourcing Agreement*” certain Group companies shall perform certain services on behalf of the Issuer which are essential for the Issuer in order to carry out its business. The Issuer will thus be dependent on certain Group companies in order to succeed in its business. Should there be any disruptions to any such Group companies, this may have an adverse effect on the Issuer’s business, financial condition and/or results of operations.

The Issuer’s funding costs and its access to the debt capital markets depend significantly on its credit ratings

Any downgrade of credit ratings of the Covered Bonds could increase the Issuer’s borrowing costs, adversely affect the liquidity position of the Issuer, limit its access to the capital markets, undermine confidence in (and the competitive position of) the Issuer, trigger obligations under certain bilateral terms in some of its trading and collateralised financing contracts (including requiring the provision of additional collateral) and/or limit the range of counterparties willing to enter into transactions with the Issuer. Any of the events above could have a material adverse effect on the Issuer’s business, financial condition and/or results of operations.

Risks related to the market generally

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

The regulation and reform of “benchmarks” may adversely affect the value of Floating Rate Covered Bonds linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks” (such as, in the case of Floating Rate Covered Bonds, a Reference Rate), 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 Floating Rate Covered Bonds linked to or referencing such a “benchmark”. The Benchmarks Regulation was published in the Official Journal of the EU on 29 July 2016 and has applied since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Floating Rate Covered Bonds 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 Benchmarks Regulation. 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 relevant “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. Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to the “benchmark”, (ii) trigger changes in the rules or methodologies used in the “benchmark” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Covered Bonds linked to or referencing a “benchmark”.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Floating Rate Covered Bonds linked to or referencing a “benchmark”.

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Covered Bonds which reference LIBOR

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if a benchmark rate were discontinued or otherwise unavailable, the rate of interest on Floating Rate Covered Bonds which reference such benchmark rate will be determined for the relevant period by the fall-back provisions applicable to such Covered Bonds. Depending on the manner in which the benchmark rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the benchmark rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Covered Bonds which reference such benchmark rate.

An active secondary market in respect of the Covered Bonds may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Covered Bonds

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Covered Bonds 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 Covered Bonds 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 Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds. See also “*The Issuer and the Group may be affected by general economic and geopolitical conditions*” above.

If an investor holds Covered Bonds which are not denominated in the investor’s home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Covered Bonds could result in an investor not receiving payments on those Covered Bonds

The Issuer will pay principal and interest on the Covered Bonds 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 or Specified Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency-equivalent yield on the Covered Bonds, (ii) the Investor’s Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor’s Currency-equivalent market value of the Covered Bonds.

Governmental 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 Covered Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

The value of Fixed Rate Covered Bonds may be adversely affected by movements in market interest rates

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

Credit ratings assigned to Covered Bonds and/or the Programme may not reflect all the risks associated with an investment in those Covered Bonds and may be lowered, withdrawn or not maintained

One or more independent credit rating agencies may assign credit ratings to the Covered Bonds and/or the Programme. 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 Covered Bonds or the standing of the Issuer.

The expected rating(s), if any, of the Covered Bonds will be set out in the relevant Final Terms or Pricing Supplement for each Series of Covered Bonds. Any rating agency may lower its rating or withdraw its rating if, in the sole judgement of the rating agency, the credit quality of the Covered Bonds has declined or is in question. 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.

There is no guarantee that any rating of the Covered Bonds and/or the Programme will be maintained by the Issuer following the date of this Base Prospectus. If any rating assigned to the Covered Bonds and/or the Programme is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Covered Bonds may be reduced.

The Issuer is exposed to changing methodology by rating agencies

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any adverse changes of such methodologies may materially and adversely affect the Issuer's operations or financial condition, this may impact the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing.

There are risks relating to other assets contained in the Issuer Cover Pool

As follows from the section "Overview of Swedish Legislation relating to Covered Bonds" the Issuer may hold Supplemental Assets and Public Credits (each as defined in "Overview of Swedish Legislation relating to Covered Bonds") in the Issuer Cover Pool which can be used as supplemental security in accordance with the Covered Bonds Act. To the extent that these other assets are located in jurisdictions other than Sweden, such assets may be subject to country specific regulations and credit risk different from what is outlined in this Base Prospectus. Should the value of the Supplemental Assets or the Public Credits decrease, this may adversely affect the value of the Issuer Cover Pool which in turn may have an adverse effect on the Issuer's business, financial condition and/or results of operations.

Decrease of underlying asset value

If the value of the underlying assets which constitute the collateral for the Issuer Cover Pool decreases materially and the Issuer does not take action to restore the ratio between Covered Bonds and the Issuer Cover Pool, there will be a risk that the Issuer will not be able to fully repay the Covered Bondholders.

The Issuer may be reliant on payments from Swap Providers in certain circumstances

The Issuer may enter into derivative contracts with hedge counterparties to hedge interest rate risk, foreign exchange risk, liquidity risk or other risks. If a hedge counterparty defaults in its obligation to make payments under a derivative contract, the Issuer will be exposed to changes in interest rates, currency exchange

rates, liquidity concerns or other risks (as applicable). Unless a replacement derivative contract is entered into, the Issuer may have insufficient funds to make payments due on the Covered Bonds.

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) Covered Bonds are legal investments for it, (ii) Covered Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

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

Covered Bondholders will only receive a limited description of the Issuer Cover Pool and the composition of the Issuer Cover Pool may vary from time to time

The composition of the Issuer Cover Pool may vary from time to time, including in so far as the geographic placing of the relevant mortgaged properties is concerned. Covered Bondholders will not receive detailed statistics or information in relation to each loan, location of each mortgaged residential or, as the case may be, commercial real estate or other assets contained or to be contained in the Issuer Cover Pool, as it is expected that the constitution of the Issuer Cover Pool may change from time to time.

The Covered Bonds may not be a suitable investment for all investors

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

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

Some Covered Bonds are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the investor's overall portfolio. A potential investor should not invest in Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of such Covered Bonds 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 Covered Bonds

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

Overcollateralisation

Any rating(s) of Covered Bonds are based on an assumption of overcollateralisation. If a certain level of overcollateralisation is not maintained; the rating of the relevant Covered Bonds may change from time to time which may affect the value of the Covered Bonds.

Liquidity following bankruptcy

In the event of the Issuer's bankruptcy, neither the Issuer nor its bankruptcy estate would be likely to have the ability to issue further Covered Bonds. Whilst there can be no assurance as to the actual ability of the bankruptcy estate to raise post-bankruptcy liquidity in other ways, the Covered Bonds Act gives the administrators-in-bankruptcy an explicit and broad mandate to enter into loan, derivative, repo and other transactions on behalf of the bankruptcy estate with a view to attaining matching of cash flows, currencies, interest rates and interest periods between assets in the Issuer Cover Pool, covered bonds and derivative contracts. The administrators-in-bankruptcy may also raise liquidity by selling assets in the Issuer Cover Pool in the market for example. If the bankruptcy estate is not able to raise sufficient liquidity, this could result in an investor not being paid in a timely manner and/or that the Issuer Cover Pool ceases to meet the matching requirements under the Covered Bonds Act.

If any relevant claims in respect of the Covered Bonds are not met out of the pool of assets or the proceeds arising from it, any remaining claims will subsequently rank pari passu with the claims of the Issuer's unsecured and unsubordinated creditors

The Covered Bonds Act contains matching rules which, among other things, require that the present value of the Cover Pool exceeds by at least 2 per cent. the present value of the liabilities relating to Covered Bonds. In order to comply with these requirements, the Issuer may enter into derivative contracts. The present value of the derivative contracts shall be included when determining whether the present value of the Cover Pool exceeds the present value of the liabilities relating to Covered Bonds.

The Issuer is dependent on the availability of derivative counterparties with sufficient credit rating and also on such counterparties fulfilling their contractual obligations. See the section "*Overview of Swedish Legislation relating to Covered Bonds*" and its sub-section "*Matching requirements*" for further details.

A breach of the matching requirements prior to the Issuer's bankruptcy in the circumstances where no additional assets are available to the Issuer or the Issuer lacks the ability to acquire additional assets could result in the Issuer being unable to issue further Covered Bonds. If, following the Issuer's bankruptcy, the Issuer Cover Pool ceases to meet the requirements of the Covered Bonds Act (including the matching requirements), and the deviations are not just temporary and minor, the Issuer Cover Pool may no longer be maintained as a unit and the payment under Covered Bonds and derivative contracts could cease.

Covered Bondholders would in such case instead benefit from a priority right in the proceeds of a sale of the assets in the Issuer Cover Pool in accordance with general bankruptcy rules. This could result in Covered Bondholders receiving payment according to a schedule that is different from that contemplated by the Terms and Conditions (with accelerations as well as delays) or that Covered Bondholders are not paid in full. However, Covered Bondholders and the derivative contract parties would retain the benefit of the right of priority in the assets comprising the Issuer Cover Pool. Any residual claims of Covered Bondholders and the derivative contract parties would remain valid claims against the Issuer, but would rank *pari passu* with other unsecured and unsubordinated creditors of Issuer.

If the Issuer has the right to redeem any Covered Bonds at its option, this may limit the market value of the Covered Bonds concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature is likely to limit the market value of Covered Bonds. During any period when the Issuer may elect to redeem Covered Bonds, the market value of such Covered Bonds 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 Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. 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 Covered Bonds 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.

Fixed/Floating Rate Covered Bonds have certain risks

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

Covered Bonds issued at a substantial discount or premium have certain risks

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

Extendable obligations under the Covered Bonds give rise to certain risks

The relevant Final Terms or Pricing Supplement will provide that an Extended Maturity Date applies to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit rating(s) from the relevant rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds.

The extension of the maturity of the principal amount outstanding of the Covered Bonds from the Maturity Date to the Extended Maturity Date will not result in any right of the Covered Bondholders to accelerate payments or take action against the Issuer, and no payment will be payable to the Covered Bondholders in that event other than as set out in the Terms and Conditions of the Covered Bonds as completed by the relevant Final Terms or (in the case of Exempt Covered Bonds only) as completed and/or amended and/or replaced by the relevant Pricing Supplement.

The Issuer also maintains a domestic Swedish programme for the continuous issuance of covered bonds (the “**Domestic Programme**”). Whilst the terms and conditions of the covered bonds which can be issued under the Domestic Programme also provide for the option of an extended maturity date, the operation of such a provision is not common in the Swedish domestic market. As both the Programme and the Domestic Programme use the same Issuer Cover Pool, there is a risk that, in the event of a fall in value of the Issuer Cover Pool, covered bonds issued under the Domestic Programme may be redeemed prior to any Covered Bonds with an Extended Maturity Date issued under the Programme. Such a redemption under the Domestic Programme could therefore further reduce the value of the Issuer Cover Pool available to service the Issuer’s obligations

under the Covered Bonds issued under the Programme with an Extended Maturity Date. This could result in Covered Bondholders not being paid in full.

Risks related to Covered Bonds generally

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

There are no events of default

The Terms and Conditions of the Covered Bonds do not include any events of default relating to the Issuer, thus Covered Bondholders cannot accelerate the Covered Bonds. Covered Bondholders will only be paid the scheduled interest payments under the Covered Bonds as and when they fall due under the Terms and Conditions of the Covered Bonds. The absence of any events of default from the Terms and Conditions may make it less likely that the Covered Bondholders will recoup their investment in full in the event that the Issuer experiences financial distress.

There may be conflicting interests of other creditors

In the event of the Issuer's bankruptcy, the Covered Bonds Act does not give clear guidance on certain issues, which may lead to a conflict between the Covered Bondholders and the derivative contract parties on the one hand, and other creditors of the Issuer or the Parent on the other hand. Examples of such issues are: (a) how proceeds from a loan partly registered to the Issuer Cover Pool should be distributed between the portion of such loan registered to the Issuer Cover Pool and the portion of such loan not registered to the Issuer Cover Pool; and (b) how the proceeds of enforcement of a mortgage certificate should be distributed if this serves as collateral for two different loans ranking *pari passu* in the mortgage certificate where one such loan is not wholly or partly registered to the Issuer Cover Pool. The lack of clear guidance on these and similar issues may lead to unsecured creditors arguing that part of the proceeds from a loan and/or mortgage certificate should not be included in the Issuer Cover Pool or to any creditors with loans that rank *pari passu* in a mortgage certificate which also serves as collateral for a loan registered to the Issuer Cover Pool arguing that part of the proceeds from such mortgage certificate should not be included in the Issuer Cover Pool.

Because the Global Covered Bonds are held by or on behalf of Euroclear Bank SA/NV and Clearstream Banking S.A. investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer.

Bearer Covered Bonds issued under the Programme may be represented by one or more Global Covered Bonds. Such Covered Bonds will be deposited with a common depository or common safe-keeper, as the case may be, for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Except in the circumstances described in the relevant Global Covered Bond, investors will not be entitled to receive Definitive Covered Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Covered Bonds. While the Covered Bonds are in global form, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Covered Bonds are in global form, the Issuer will discharge its payment obligations under the Covered Bonds by making payments (i) to a common depository (for Bearer Covered Bonds which are classic global covered bonds (each, a "**CGCB**")) or (ii) to a common safe-keeper (for Bearer Covered Bonds which are new global covered bonds (each, a "**New Global Covered Bond**" or "**NGCB**")). A holder of a beneficial interest in a Global Covered Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Covered Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in such a Global Covered Bond.

Because the VP Systems Covered Bonds are dematerialised securities, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer

The VP Systems Covered Bonds issued under the Programme will not be evidenced by any physical note or document of title other than statements of account made by (in the case of VP Systems Covered Bonds),

VP. Ownership of VP Systems Covered Bonds will be recorded and transfer effected only through the book entry system and register maintained by VP.

The Terms and Conditions of the Covered Bonds contain provisions which may permit their modification without the consent of all investors

The Terms and Conditions of the Covered Bonds contain provisions for calling meetings of Covered Bondholders to consider matters affecting their interests generally. These provisions permit a defined proportion of Covered Bondholders, as the case may be, to bind all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority.

No assurance can be given in relation to changes of law

The Terms and Conditions of the Covered Bonds are governed by English law, except for Condition 4 (*Status of the Covered Bonds*), which will be governed by Swedish law. In the case of registration of the Covered Bonds in VP, these will be governed by Danish law in effect as at the date of issue of the Covered Bonds. No assurance can be given as to the impact of any possible judicial decision or change to English law, Swedish law, Danish law or administrative practice after the date of issue of any relevant Covered Bonds.

In particular, the Covered Bonds Act is relatively new legislation in Sweden and there is no available case law on it. It is uncertain how the Covered Bonds Act will be interpreted and whether changes or amendments will be made to it or appurtenant government ordinances or regulations issued by the SFSA which will affect Covered Bonds issued under the Programme.

Investors who purchase Bearer Covered Bonds in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if Definitive Covered Bonds are subsequently required to be issued

In relation to any issue of Bearer Covered Bonds which have denominations consisting of a minimum Specified Denomination plus an integral multiple of another smaller amount in excess thereof, it is possible that such Covered Bonds may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a Covered Bondholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a Definitive Covered Bond in respect of such holding (should Definitive Covered Bonds be printed) and would need to purchase a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination.

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

Certain Dealers may transact with or perform services for the Issuer in the ordinary course of business

Certain of the Dealers and their affiliates have engaged, and may in the future, engage in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

The recognition as eligible collateral for the Eurosystem and intra-day credit operations by the Eurosystem of New Global Covered Bonds is dependent upon satisfaction of the Eurosystem eligibility criteria at the relevant time

Although the NGCB form has been introduced to allow for the possibility of Bearer Covered Bonds being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the Eurosystem and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Base Prospectus:

- (i) the Annual Report of the Issuer for the financial year ended 31 December 2016 (the “**Annual Report 2016**”); and
- (ii) the Annual Report of the Issuer for the financial year ended 31 December 2017 (the “**Annual Report 2017**” and together with the Annual Report 2016, the “**Annual Reports**”).

In relation to each document deemed to be incorporated in this Base Prospectus, the non-incorporated parts are either not relevant for the investor or are covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Covered Bonds.

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.

The sources of the financial statements (including the auditors’ reports thereon and notes thereto) in the Annual Reports incorporated by reference herein are as follows:

<i>Information</i>	<i>Source</i>
Income Statement for the Issuer for the year ended 31 December 2017	Annual Report 2017 pg. 11
Balance Sheet for the Issuer as at 31 December 2017	Annual Report 2017 pg. 12
Statement of Capital for the Issuer for the year ended 31 December 2017	Annual Report 2017 pg. 13
Notes to the Financial Statements for the Issuer as at and for the year ended 31 December 2017	Annual Report 2017 pgs. 15 – 30
Independent Auditor’s Report for the Issuer as at and for the year ended 31 December 2017	Annual Report 2017 pgs. 32 – 34
Income Statement for the Issuer for the year ended 31 December 2016	Annual Report 2016 pg. 3
Balance Sheet for the Issuer as at 31 December 2016	Annual Report 2016 pg. 4
Statement of Capital for the Issuer for the year ended 31 December 2016	Annual Report 2016 pg. 5
Notes to the Financial Statements for the Issuer as at and for the year ended 31 December 2016	Annual Report 2016 pgs. 8 - 9
Independent Auditor’s Report for the Issuer as at and for the year ended 31 December 2016	Annual Report 2016 pgs. 10 - 12

The Annual Report 2017 incorporated by reference herein can be viewed online at <https://danskehypotek.se/-/media/pdf/danske-hypotek/danske-hypotek-ab---annual-report-2017-.la=en.pdf>

The Annual Report 2016 incorporated by reference herein can be viewed online at <https://danskehypotek.se/-/media/pdf/danske-hypotek/annual-report-dh-2016-.la=en.pdf>.

The Annual Reports are English translations of the original reports in the Swedish language. The Issuer accepts responsibility for the English translations of the Annual Reports.

This Base Prospectus is, and any supplements hereto will be, available for viewing at www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx.

GENERAL DESCRIPTION OF THE PROGRAMME

The following description of key features of the Programme does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in “Form of the Covered Bonds” or “Terms and Conditions of the Covered Bonds” below shall have the same meanings in this description of key features of the Programme.

Issuer:	Danske Hypotek AB (publ)
Arranger:	Danske Bank A/S
Dealer:	Danske Bank A/S
Fiscal Agent:	Citibank, N.A., London Branch
Irish Listing Agent:	Matheson
VP Systems Agent:	Danske Bank A/S
Programme Amount:	<p>EUR 10,000,000,000 (and, for this purpose, any Covered Bonds denominated in another currency shall be translated into euro at the date of the agreement to issue such Covered Bonds using the spot rate of exchange for the purchase of such currency against payment of euros being quoted by the Fiscal Agent on the date on which the relevant agreement in respect of the relevant Tranche was made or such other rate as the Issuer and the relevant Dealer(s) may agree) in aggregate principal amount of Covered Bonds outstanding at any one time.</p> <p>The maximum aggregate principal amount of Covered Bonds which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement.</p>
Issuance in Series:	<p>Covered Bonds will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Covered Bonds of each Series will all be subject to identical terms, except that the issue date, the date of the first payment of interest (if any), the amount, and/or the issue price thereof may be different in respect of different Tranches.</p>
Final Terms or Pricing Supplement:	<p>Each Tranche of Covered Bonds other than Exempt Covered Bonds will be the subject of the Final Terms which, for the purposes of that Tranche only, completes the Terms and Conditions of the Covered Bonds. Each Tranche of Exempt Covered Bonds will be the subject of the Pricing Supplement which, for the purposes of that Tranche only, completes and/or amends and/or replaces the Terms and Conditions of the Covered Bonds. Each Final Terms or Pricing Supplement must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Covered Bonds are the</p>

	<p>Terms and Conditions of the Covered Bonds as completed by the relevant Final Terms or (in the case of Exempt Covered Bonds) as completed and/or amended and/or replaced by the relevant Pricing Supplement. See also “Exempt Covered Bonds” below.</p>
Distribution:	<p>Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.</p>
Currencies:	<p>Covered Bonds may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements (each a “Specified Currency”).</p>
Maturities:	<p>Subject to compliance with all relevant laws, regulations and directives, any maturity as agreed between the Issuer and the relevant Dealer(s).</p>
Issue Price:	<p>Covered Bonds may be issued at any price, as specified in the relevant Final Terms or Pricing Supplement.</p>
Form of Covered Bonds:	<p>The Covered Bonds will be issued in bearer form or, in the case of VP Systems Covered Bonds, uncertificated book entry form, as described in “Form of Covered Bonds” below. VP Systems Covered Bonds will not be evidenced by any physical covered bond or document of title. Entitlements to VP Systems Covered Bonds will be evidenced by the crediting of VP Systems Covered Bonds to accounts with VP.</p> <p>In respect of each Tranche of Bearer Covered Bonds, the Issuer will deliver a Temporary Global Covered Bond or a Permanent Global Covered Bond. Interests in each Temporary Global Covered Bond will, not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds upon certification as to non-U.S. beneficial ownership, be exchangeable for interests in a Permanent Global Covered Bond or, if so specified in the relevant Final Terms or Pricing Supplement, for Definitive Covered Bonds in bearer form in accordance with its terms. Interests in each Permanent Global Covered Bond will be exchangeable for Definitive Covered Bonds in bearer form. Definitive Covered Bonds in bearer form will, if interest-bearing, have Coupons attached and, if appropriate, Talons.</p>
Clearing Systems:	<p>Euroclear, Clearstream, Luxembourg and/or VP and/or, in relation to any Tranche of Covered Bonds, any other clearing system as may be specified in the relevant Final Terms or Pricing Supplement.</p>
Status of the Covered Bonds:	<p>The Covered Bonds constitute unsubordinated obligations issued in accordance with, and subject to,</p>

the Covered Bonds Act and rank *pari passu* among themselves and with all other obligations of the Issuer which benefit from the same priority right in the Issuer Cover Pool as the Covered Bonds under the Swedish Rights of Priority Act (*Förmånsrättslag (1970:979)*) and the Covered Bonds Act. To the extent claims in relation to the Covered Bonds and other claims with the same priority are not met out of the Issuer Cover Pool or the proceeds arising from it, the residual claims will rank *pari passu* with the claims of ordinary unsecured and unsubordinated creditors of the Issuer.

Fixed Rate Covered Bonds:

Covered Bonds may provide for interest based on a fixed rate (“**Fixed Rate Covered Bonds**”). Interest will be payable on Fixed Rate Covered Bonds on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) (as specified in the relevant Final Terms or Pricing Supplement) and on redemption.

Floating Rate Covered Bonds:

Covered Bonds may provide for interest based on a floating rate (“**Floating Rate Covered Bonds**”). Floating Rate Covered Bonds will bear interest at a rate determined:

- (i) 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 ISDA Definitions; or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms or Pricing Supplement.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Covered Bonds.

Other provisions in relation to Floating Rate Covered Bonds:

Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both (as specified in the relevant Final Terms or Pricing Supplement).

Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), 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(s).

Zero Coupon Covered Bonds:

Covered Bonds may provide that no interest is payable

(“**Zero Coupon Covered Bonds**”). Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The relevant Final Terms or Pricing Supplement will indicate the scheduled maturity date of such Covered Bonds (the “**Maturity Date**”) and will also indicate whether such Covered Bonds can be redeemed prior to their stated maturity for taxation reasons or whether such Covered Bonds will be redeemable at the option of the Issuer (“**Call Option**”) and/or at the option of the Covered Bondholders (“**Put Option**”), in each case upon giving the applicable irrevocable notice (as specified in the relevant Final Terms or Pricing Supplement) to the Covered Bondholders or the Issuer, as the case may be, on a date or dates specified in the relevant Final Terms or Pricing Supplement, at the maturity and at a price or prices and on such terms as are specified in the relevant Final Terms or Pricing Supplement.

Extended Maturity Date:

The relevant Final Terms or Pricing Supplement will provide that an Extended Maturity Date applies to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit rating(s) from the relevant rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds (the “**Extended Maturity Date**”).

If an Extended Maturity Date is specified in the relevant Final Terms or Pricing Supplement as applying to a Series of Covered Bonds and the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the maturity of the outstanding Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of the Terms and Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise specified in the relevant Final Terms or Pricing Supplement. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on any Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise specified in the relevant Final Terms or Pricing Supplement.

As regards interest on Covered Bonds to which an Extended Maturity Date so applies, if the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the Covered Bonds will bear interest on the principal amount outstanding of the Covered Bonds

from (and including) the Maturity Date to (but excluding) the Extended Maturity Date or, if the Covered Bonds are redeemed prior to the Extended Maturity Date, the Interest Payment Date on which they are redeemed, based on a floating rate calculated with reference to EURIBOR or its equivalent depending on the currency of the relevant Covered Bonds and will be payable in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date in arrear or as otherwise provided for in the relevant Final Terms or Pricing Supplement on each Interest Payment Date after the Maturity Date at the rate specified in the relevant Final Terms or Pricing Supplement.

In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date and for which an Extended Maturity Date applies, the initial outstanding principal amount on the Maturity Date for the above purposes will be the total amount otherwise payable by the Issuer but unpaid on the relevant Covered Bonds on the Maturity Date.

Denominations:

Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms or Pricing Supplement save that the minimum denomination of each Covered Bond admitted to trading on a regulated market for the purposes of Directive 2004/39/EC or offered to the public in a Member State in circumstances which require the publication of a prospectus under the Prospectus Directive will be EUR 100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency at the time of issue) or such other amount as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.

Taxation:

All payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed within Sweden, subject as provided in Condition 8 (*Taxation*).

Negative Pledge:

The Covered Bonds will not contain a negative pledge provision.

Cross Default and other Events of Default:

The Covered Bonds will not contain a cross-default provision or any other events of default entitling Covered Bondholders to demand immediate redemption.

Listing and Admission to Trading:

Each Series may be listed on the Irish Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or

quotation system as may be agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms or Pricing Supplement or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.

Governing Law:

The Covered Bonds and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law except for Condition 4 (*Status of the Covered Bonds*), which will be governed by, and construed in accordance with, Swedish law.

VP Systems Covered Bonds must comply with the relevant regulations of VP and the holders of VP Systems Covered Bonds will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant regulations and legislation in Denmark.

Ratings:

The Programme and/or each Covered Bond issue has been or may be rated by Standard & Poor's Credit Market Services Europe Limited ("**S&P**").

S&P is established in the European Union and is registered under the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Base Prospectus. This list is available on the ESMA website at www.esma.europa.eu/page/List-registered-and-certified-CRAs (list last updated on 15 March 2018).

Tranches of Covered Bonds issued under the Programme may be rated or unrated. Where a Series of Covered Bonds is expected to be rated, such expected rating will be specified in the relevant Final Terms or Pricing Supplement.

Up-to-date information should always be sought by direct reference to the rating agency.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. In addition, there is no guarantee that any rating of the Programme and/or any Series of Covered Bonds assigned by the rating agency will be maintained by the Issuer following the date of this Base Prospectus and the Issuer may seek to obtain ratings of the Programme and/or any Series of Covered Bonds from other rating agencies.

Selling Restrictions:

There are selling restrictions on the offer, sale and transfer of the Covered Bonds in the United States, the European Economic Area, the United Kingdom,

Sweden, Denmark and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered Bonds. See “Subscription and Sale”.

For United States securities law only, the Issuer is a Category 2 issuer under Regulation S. Bearer Covered Bonds will be issued in compliance with U.S. Treasury Regulations §1.163-5 (c) (2) (i) (D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**D Rules**”) or 1.163-5 (c) (2) (i) (C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**C Rules**”), unless the Bearer Covered Bonds are issued in circumstances in which the Bearer Covered Bonds will not constitute “Registration required obligations” for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms or Pricing Supplement as a transaction to which TEFRA is not applicable.

Exempt Covered Bonds:

The Issuer may agree with any Dealer that Exempt Covered Bonds may be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds and this General Description of the Programme, in which event the relevant provisions will be included in the relevant Pricing Supplement.

OVERVIEW OF SWEDISH LEGISLATION RELATING TO COVERED BONDS

The following is a brief overview of certain features of the Covered Bonds Act as of the date of this Base Prospectus. The overview does not purport to be, and is not, a complete description of all aspects of the Swedish legislative and regulatory framework for covered bonds. In addition to the overview below, please also refer to the section “*Risk Factors*” on pages 7 to 20 above.

Introduction

The Covered Bonds Act entered into force on 1 July 2004 and was last amended in 2016 through SFS 2016:504 (*Lag om ändring i lagen (2003:1223) om utgivning av säkerställda obligationer*). The Covered Bonds Act enables Swedish banks and credit market companies (“**Institutions**”), which have been granted a specific licence by the SFSA, to issue full-recourse debt instruments secured by a pool of mortgages and/or public sector credits.

The SFSA has issued regulations and recommendations under the authority set out in the Covered Bonds Act by issuing FFFS 2013:1 (*Finansinspektionens föreskrifter och allmänna råd om säkerställda obligationer*) last amended by FFFS 2016:17 (*Föreskrifter om ändring i Finansinspektionens föreskrifter och allmänna råd (FFFS 2013:1) om säkerställda obligationer*) (the “**SFSA Regulations**”).

Swedish covered bonds may take the form of bonds and other comparable debt instruments, such as commercial paper. In the event of an Institution’s bankruptcy, holders of covered bonds (and certain eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the pool with those of the covered bonds) benefit from a priority right in the pool of assets consisting of Eligible Mortgages, Public Credits and Supplemental Assets (all as defined below) (the “**Cover Pool**”). The Covered Bonds Act further enables such holders (and derivative counterparties) to continue to receive timely payments also following the Institution’s bankruptcy, subject to certain conditions being met. The Cover Pool is dynamic in the sense that an Institution may supplement or substitute assets in the Cover Pool at any time.

Registration

Information in respect of all covered bonds, assets in the Cover Pool and relevant derivative contracts must be entered into a special register (the “**Register**”), which is maintained by the Institution. The actual registration of the covered bonds and relevant derivative contracts in the Register is necessary to confer the priority right in the Cover Pool. Further, only assets entered into the Register form part of the Cover Pool.

The Register must at all times show the nominal value of the covered bonds, the Cover Pool and the relevant derivative contracts. As a result, the Register requires regular updating, including, without limitation due to changes in interest rates, interest periods, outstanding debt and the composition of the Cover Pool. The value of the underlying collateral securing the Eligible Mortgages in the Cover Pool must also be entered into the Register.

Eligibility criteria for assets in the Cover Pool

The Cover Pool may consist of certain Eligible Mortgages, Public Credits and Supplemental Assets in accordance with the definitions below.

“**Eligible Mortgages**” means loans secured by (i) mortgages over real property (*fastigheter*) intended for residential, agricultural, office or commercial purposes or site leasehold rights (*tomträtter*) intended for residential, office or commercial purposes, (ii) pledges over tenant-owner rights (*bostadsrätter*), or (iii) comparable security interests over equivalent assets situated in other countries within the European Economic Area.

“**Public Credits**” means certain loans to (or guaranteed by), among others, the Swedish State, Swedish municipalities and comparable public bodies and the European Union.

“**Supplemental Assets**” consists primarily of government bonds and cash, although the SFSA may also authorise the use of certain debt instruments issued by credit institutions and other bodies as Supplemental Assets.

Loan-to-value ratios and certain other restrictions

For Eligible Mortgages, there is a maximum loan amount which may be included in the Cover Pool, depending on the value of the underlying collateral:

1. For residential collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 75 per cent. of the market value of the collateral.
2. For agricultural collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 70 per cent. of the market value of the collateral.
3. For office or commercial collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 60 per cent. of the market value of the collateral.

Should a loan exceed the relevant ratio, only the part of the loan that falls within the permitted limit may be included in the Cover Pool (a “**Partly Eligible Loan**”). The Covered Bonds Act does not explicitly regulate how proceeds in respect of a Partly Eligible Loan shall be distributed between the eligible and the non-eligible parts of the loan.

The most likely interpretation is that interest payments shall be allocated *pro rata* between the eligible and non-eligible parts of the loan and that amortisations shall be applied first towards the non-eligible part of the loan (absent enforcement of the security over the underlying collateral). However, proceeds from enforcement of the security should most likely be applied first towards the eligible part of the loan.

A similar situation arises if, for example, the same mortgage security serves as first-ranking security for two (or more) loans granted by an Institution and only one of these loans is included in the Cover Pool. The Covered Bonds Act does not give clear guidance as to how proceeds shall be allocated between the two loans in case of the Institution’s bankruptcy. The lack of guidance may give room for unsecured creditors of the Institution to argue that only a *pro rata* portion of such proceeds shall be allocated to the loan included in the Cover Pool.

The Covered Bonds Act restricts the overall proportion of loans provided against security over real property (or site leasehold rights or tenant-owner rights) intended for office or commercial purposes to 10 per cent. of an Institution’s Cover Pool.

Furthermore, the proportion of Supplemental Assets may not exceed 20 per cent. of the Cover Pool, although the SFSA has the authority to raise this limit to 30 per cent. for a limited period in special circumstances.

Institutions are required to regularly monitor the market value of the mortgage assets that serve as collateral for loans included in the Cover Pool and at least once a year analyse how future changes in market values may affect the loan-to-value ratios and the value of all such mortgage assets. If the market value of a mortgage asset declines significantly (15 per cent. or more according to the preparatory works to the Covered Bonds Act), then only such part of the loan that falls within the permitted loan-to-value ratio will be eligible for inclusion in the Cover Pool and will be subject to the priority right described below. However, a decline in the market value following an Institution’s bankruptcy would not result in a reduction of the assets in which holders of covered bonds (and relevant derivative counterparties) have a priority right, but could result in the Cover Pool ceasing to meet the matching requirements.

Matching requirements

The Covered Bonds Act prescribes that an Institution must comply with certain matching requirements, which, among other things, require that the nominal value of the assets registered to the Cover Pool exceeds the nominal value of liabilities which relate to covered bonds issued from time to time by at least 2 per cent. The calculation shall be made on the basis of current book values. In order to comply with these requirements, the Institution may enter into derivative contracts. The present value of the derivative contracts shall be included

when determining whether the present value of the Cover Pool exceeds the present value of the liabilities relating to Covered Bonds. The Institution is dependent on the availability of derivative counterparties with sufficient credit rating and also on such counterparties fulfilling their contractual obligations.

Furthermore, an Institution must compose the Cover Pool in such a way as to ensure a sound balance between the covered bonds and the assets in the Cover Pool in terms of currencies, interest rates and interest fixation periods. Such sound balance is deemed to exist when the present value of the Cover Pool at all times exceeds the present value of the liabilities relating to the covered bonds by at least 2 per cent. The present value of derivative contracts shall be taken into account for the purposes of such calculation. The calculations of present value shall withstand certain stress tests (changes in interest rates and/or currency exchange rates).

The payment flows relating to the assets in the Cover Pool, derivative contracts and covered bonds shall be such that an Institution is at all times able to meet its payment obligations towards holders of covered bonds and relevant derivative counterparties.

Non-performing assets in the Cover Pool which are more than 60 days overdue must be disregarded for the purposes of the matching tests.

Supervision by the SFSA and the independent monitor

The SFSA monitors that an Institution complies with the Covered Bonds Act and other provisions of the legislative and regulatory framework which regulates the business of the Institution. In addition, the SFSA appoints an independent monitor (*oberoende granskare*) for each Institution that issues covered bonds.

The independent monitor is responsible for monitoring the Register to assess whether or not it is being maintained correctly and in compliance with the Covered Bonds Act and the SFSA Regulations. The monitoring shall be risk-based. In particular, the independent monitor shall verify that (i) covered bonds and relevant derivative contracts are registered in the Register, (ii) only loans and Supplemental Assets that satisfy the eligibility criteria are included in the Cover Pool and registered in the Register, (iii) the valuations of the underlying collateral for loans in the Cover Pool are in accordance with the Covered Bonds Act and the SFSA Regulations, (iv) mortgage loans, the underlying collateral of which has decreased significantly in value are, for the purpose of the matching requirements, deducted from the Cover Pool to the extent necessary to comply with the relevant loan-to-value ratio and (v) the matching requirements are complied with. In addition, the independent monitor shall annually review revaluations by the institution of the underlying collateral.

The independent monitor is entitled to request information from the Institution, conduct site visits and is required to report regularly and at least once a year to the SFSA. The Covered Bonds Act does not provide for any change to the independent monitor's remit upon the bankruptcy of an Institution.

Benefit of a priority right in the Cover Pool

Pursuant to the Covered Bonds Act and the Rights of Priority Act (*Förmånsrättslag (1970:979)*), the holders of covered bonds benefit from a priority right in the Cover Pool should the Institution be declared bankrupt (*försatt i konkurs*). The same priority is awarded to the Institution's eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the Cover Pool with those of the covered bonds. Such derivative counterparties and the holders of the covered bonds rank *pari passu* with joint seniority in relation to the Cover Pool.

By virtue of the aforementioned priority, holders of covered bonds and relevant derivative counterparties rank ahead of unsecured creditors and all other creditors of the Institution in respect of assets in the Cover Pool (except the administrator-in-bankruptcy as regards fees for its administration of assets in the Cover Pool and costs for such administration and obligations under liquidity loans and other agreements entered into by the administrator-in-bankruptcy on behalf of the bankruptcy estate with a view to fulfilling the matching requirements for the Cover Pool (see further below)). The priority right also covers cash received by an Institution and deriving from the Cover Pool or relevant derivative contracts, provided that certain administrative procedures have been complied with.

Due to what is generally regarded as an oversight by the legislator, there is some uncertainty as to whether a creditor that obtains execution (*utmätning*) against an asset in the Cover Pool more than three months

before an Institution's bankruptcy could defeat the priority afforded to holders of covered bonds and derivative counterparties as regards such asset. However, an execution that is levied less than three months before the Institution is being declared bankrupt will typically not defeat the priority, since such execution may be voided by the administrators-in-bankruptcy.

Administration of the Cover Pool in the event of bankruptcy

Should an Institution be declared bankrupt, at least one administrator-in-bankruptcy would be appointed by the bankruptcy court and one administrator-in-bankruptcy would be appointed by the SFSA. The administrators-in-bankruptcy would take over the administration of the bankruptcy estate, including the Cover Pool.

Provided that (and as long as) the Cover Pool meets the requirements of the Covered Bonds Act (including the matching requirements), the assets in the Cover Pool, the covered bonds and any relevant derivative contracts that have been entered into the Register are required to be maintained as a unit and kept segregated from other assets and liabilities of the bankruptcy estate of the Institution. The administrators-in-bankruptcy are in such case required to procure the continued timely service of payments due under the covered bonds and any relevant derivative contracts. Consequently, the bankruptcy would not as such result in early repayment or suspension of payments to the holders of covered bonds or to derivative counterparties, so long as the Cover Pool continues to meet the requirements of the Covered Bonds Act.

In the event of an Institution's bankruptcy, neither the Institution nor its bankruptcy estate would have the ability to issue further covered bonds. However, the Covered Bonds Act gives the administrators-in-bankruptcy an explicit and broad mandate to enter into loan, derivative, repo and other transactions on behalf of the bankruptcy estate with a view to maintaining matching cash flows, currencies, interest rates and interest periods between assets in the Cover Pool, covered bonds and derivative contracts. Counterparties in such transactions will rank senior to holders of covered bonds and derivative counterparties. The administrators-in-bankruptcy may also raise liquidity by selling assets in the Cover Pool in the market for example.

If the Cover Pool ceases to meet the requirements of the Covered Bonds Act, and the deviations are not just temporary and minor, the Cover Pool may no longer be maintained as a unit and payment under the terms and conditions of the covered bonds and derivative contracts will cease. The holders of covered bonds and derivative counterparties would in such case instead benefit from a priority right in the proceeds of a sale of the assets in the Cover Pool in accordance with general bankruptcy rules. This could result in the holders of covered bonds receiving payment according to a schedule that is different from that contemplated by the terms and conditions of the covered bonds (with accelerations as well as delays) or that the holders of covered bonds are not paid in full. However, the holders of covered bonds and derivative counterparties would retain the benefit of the right of priority in the assets comprising the Cover Pool (although certain bankruptcy-related costs (such as fees payable to the administrators-in-bankruptcy) would rank ahead of the holders of covered bonds and derivative counterparties). Any residual claims of the holders of covered bonds and derivative counterparties remain valid claims against the Institution, but will rank *pari passu* with other unsecured and unsubordinated creditors of the Institution.

FORM OF THE COVERED BONDS

Words and expressions defined in “Terms and Conditions of the Covered Bonds” herein shall have the same meanings in this “Form of the Covered Bonds”.

The Covered Bonds of each Series will be in bearer form or, in the case of VP Systems Covered Bonds, uncertificated book entry form.

Form of Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will initially be in the form of either a temporary global covered bond (the “**Temporary Global Covered Bond**”), without interest Coupons, or a permanent global covered bond (the “**Permanent Global Covered Bond**”), without interest Coupons, in each case as specified in the relevant Final Terms or Pricing Supplement. Each Temporary Global Covered Bond or, as the case may be, Permanent Global Covered Bond (each a “**Global Covered Bond**”) which is intended to be issued in CGCB form and not in NGCB form, as specified in the relevant Final Terms or Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Covered Bonds with a depositary or a common depositary for Euroclear and Clearstream, Luxembourg and each Global Covered Bond which is intended to be issued in NGCB form as specified in the relevant Final Terms or Pricing Supplement, will be deposited on or around the relevant issue date with a Common Safe-keeper for Euroclear and/or Clearstream, Luxembourg.

If the Covered Bonds have a maturity of more than 1 year, unless the relevant Final Terms or Pricing Supplement specifies that United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**TEFRA C Rules**”) are applicable in relation to the Covered Bonds, United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**TEFRA D Rules**”) will apply in relation to the Covered Bonds.

Temporary Global Covered Bond exchangeable for Permanent Global Covered Bond

If the relevant Final Terms or Pricing Supplement specifies the form of Covered Bonds as being “Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond”, then the Covered Bonds will initially be in the form of a Temporary Global Covered Bond which will be exchangeable, in whole or in part, for interests in a Permanent Global Covered Bond, without interest Coupons, not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds upon certification as to non-U.S. beneficial ownership.

No payments will be made under the Temporary Global Covered Bond unless exchange for interests in the Permanent Global Covered Bond is improperly withheld or refused. In addition, interest payments in respect of the Covered Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

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

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

within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Covered Bond shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Covered Bond exceed the initial principal amount of the Temporary Global Covered Bond.

Temporary Global Covered Bond exchangeable for Definitive Covered Bonds

If the relevant Final Terms or Pricing Supplement specifies the form of Covered Bonds as being “Temporary Global Covered Bond exchangeable for Definitive Covered Bonds” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Covered Bonds will initially be in the form of a Temporary Global Covered Bond which will be exchangeable, in whole but not in part, for Covered Bonds in definitive form (“**Definitive Covered Bonds**”) not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds.

If the relevant Final Terms or Pricing Supplement specifies the form of Covered Bonds as being “Temporary Global Covered Bond exchangeable for Definitive Covered Bonds” and the TEFRA D Rules are specified or are deemed to be applicable, then the Covered Bonds will initially be in the form of a Temporary Global Covered Bond which will be exchangeable, in whole or in part, for Definitive Covered Bonds not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Covered Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Covered Bond is to be exchanged for Definitive Covered Bonds, the Issuer shall procure the delivery (free of charge to the bearer) of such Definitive Covered Bonds, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms or Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Covered Bond to the bearer of the Temporary Global Covered Bond against the surrender of the Temporary Global Covered Bond at the Specified Office of the Fiscal Agent within thirty days of the bearer requesting such exchange save that this paragraph shall not apply if the Final Terms or Pricing Supplement specifies denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount.

Permanent Global Covered Bond exchangeable for Definitive Covered Bonds

If the relevant Final Terms or Pricing Supplement specifies the form of Covered Bonds as being “Permanent Global Covered Bond exchangeable for Definitive Covered Bonds”, then the Covered Bonds will initially be in the form of a Permanent Global Covered Bond which will be exchangeable in whole, but not in part, for Definitive Covered Bonds:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms or Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Final Terms or Pricing Supplement as being at the option of such holder of Permanent Global Covered Bond, upon such holder’s request save that, in relation to Bearer Covered Bonds, this paragraph (ii) shall not apply if the Final Terms or Pricing Supplement specifies denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount; or
- (iii) if the relevant Final Terms or Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Covered Bond”, then if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so.

The Permanent Global Covered Bond will also become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Covered Bonds if, by reason of any change in the laws of Sweden, the Issuer will be required to make any withholding or deduction from any payment in respect of the Covered Bonds which would not be required if the Covered Bonds were in definitive form.

Interest-bearing Definitive Covered Bonds will have attached thereto at the time of their initial delivery Coupons. Interest-bearing Definitive Covered Bonds, if so specified in the relevant Final Terms or Pricing Supplement, will have attached thereto at the time of their initial delivery, Talons for further coupons and the expression Coupons shall, where the context so requires, include Talons.

Whenever the Permanent Global Covered Bond is to be exchanged for Definitive Covered Bonds, the Issuer shall procure the delivery (free of charge to the bearer) of such Definitive Covered Bonds, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms or Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Covered Bond to the bearer of the Permanent Global Covered Bond against the surrender of the Permanent Global Covered Bond to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange save that paragraph (ii) above shall not apply if the Final Terms or Pricing Supplement specifies denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount.

If the Issuer does not make the required delivery of Definitive Covered Bonds by 6.00 p.m. (London time) on the day on which the relevant notice period expires or, as the case may be, the thirtieth day after the day on which such Permanent Global Covered Bond becomes due to be exchanged, such Permanent Global Covered Bond will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.

Terms and Conditions applicable to the Covered Bonds

The Terms and Conditions applicable to any Covered Bond in global form or any Definitive Covered Bond will be endorsed on that Covered Bond and will consist of the Terms and Conditions set out under “Terms and Conditions of the Covered Bonds” below and the provisions of the relevant Final Terms which completes or (in the case of Exempt Covered Bonds only) the relevant Pricing Supplement which completes and/or amends and/or replaces those Terms and Conditions. For the purpose of any payments made in respect of a Covered Bond in global form, the relevant place of presentation shall be disregarded in the definition of “**Payment Business Day**” set out in Condition 2.1 (*Definitions*).

Legend concerning United States persons

In the case of any Tranche of Covered Bonds having a maturity of more than one year, the Covered Bonds in global form and the Covered Bonds in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Covered Bond, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Covered Bond, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

Form of VP Systems Covered Bonds

Each Tranche of VP Systems Covered Bonds will be issued in uncertificated and dematerialised book entry form. Legal title to the VP Systems Covered Bonds will be evidenced by book entries in the records of VP. Issues of VP Systems Covered Bonds are the subject of the VP Systems Agency Agreement. On the issue of such VP Systems Covered Bonds, the Issuer will send a copy of the relevant Final Terms or Pricing Supplement to the Fiscal Agent, with a copy sent to the VP Systems Agent. On delivery of the relevant Final Terms or Pricing Supplement by the VP Systems Agent to VP (as the case may be) and notification to VP of the subscribers and their VP account details by the relevant Dealer(s) and/or the VP Systems Agent, acting on behalf of the Issuer, will give instructions to VP to credit each subscribing account holder with VP with a

nominal amount of VP Systems Covered Bonds equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VP Systems Covered Bonds in VP will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VP Systems Covered Bonds will take place in accordance with the rules and procedures for the time being of VP.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or VP (as the case may be) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent, the other Paying Agents and the relevant Covered Bondholders.

Unless otherwise expressly stated, references to “Conditions” in this Base Prospectus are to the terms and conditions of the Covered Bonds in the section “Terms and Conditions”.

TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds which, as completed by the relevant Final Terms or (in the case of Exempt Covered Bonds only) as completed and/or amended and/or replaced by the relevant Pricing Supplement, will be incorporated by reference into each global Covered Bond and each definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The Terms and Conditions will also be applicable to each VP Systems Covered Bond. VP Systems Covered Bonds will not be evidenced by any physical covered bond or document of title other than statements of account made by VP. Ownership of VP Systems Covered Bonds will be recorded and transfer effected only through the book entry system and register maintained by VP.

The relevant Pricing Supplement in relation to any Tranche of Exempt Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, amend and/or replace the Terms and Conditions for the purpose of such Covered Bonds.

Reference should be made to “Form of the Covered Bonds” for a description of the content of the Final Terms or Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

1. Introduction

1.1 *Agency Agreement:* This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Danske Hypotek AB (publ) (the “**Issuer**”) pursuant either to (A) an Agency Agreement (as may be amended or supplemented from time to time, the “**Agency Agreement**”) dated 28 March 2018 between the Issuer, Citibank, N.A., London Branch as Fiscal Agent and the other agents named in it or (B) in the case of VP Systems Covered Bonds, an agency agreement (as may be amended or supplemented from time to time, the “**VP Systems Agency Agreement**”) dated 28 March 2018 between the Issuer and the agents named in it and the Agency Agreement to the extent specified therein and, except in relation to VP Systems Covered Bonds, with the benefit of a Deed of Covenant (as may be amended or supplemented from time to time, the “**Deed of Covenant**”) dated 28 March 2018 executed by the Issuer in relation to the Covered Bonds.

1.2 References herein to the “**Covered Bonds**” shall be references to the Covered Bonds of this Series and shall mean:

- (i) in relation to any Covered Bonds represented by a global Covered Bond, units of the lowest Specified Denomination in the Specified Currency;
- (ii) (in the case of Bearer Covered Bonds) definitive Bearer Covered Bonds issued in exchange (or part exchange) for a global Covered Bond;
- (iii) any global Covered Bond; and
- (iv) Covered Bonds cleared through the Danish central securities depository (“**VP Systems Covered Bonds**” and “**VP**” respectively).

References herein to the “**Exempt Covered Bonds**” are to Covered Bonds for which no prospectus is required to be published under the Prospectus Directive.

1.3 *Fiscal and Paying Agent:* The fiscal agent, the paying agents and the calculations agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent) and the “**Calculation Agent(s)**”. Each Tranche of VP Systems Covered Bonds will be created and held in uncertificated book entry form in accounts with

VP. The VP Systems Agent will act as agent of the Issuer in respect of all dealings with VP in respect of VP Systems Covered Bonds.

- 1.4 *Interest Bearing Covered Bonds:* Interest bearing definitive Bearer Covered Bonds have interest coupons (“**Coupons**”) and, if specified in the relevant Final Terms or Pricing Supplement, 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.
- 1.5 *Final Terms or Pricing Supplement:* Each Tranche of Covered Bonds other than Exempt Covered Bonds is the subject of a final terms document (the “**Final Terms**”) which completes these Terms and Conditions (the “**Conditions**”). Each Tranche of Exempt Covered Bonds is the subject of a pricing supplement (the “**Pricing Supplement**”) which completes and/or amends and/or replaces these Conditions. References to the “relevant Final Terms” or “relevant Pricing Supplement” are to the Final Terms or Pricing Supplement (or the relevant provisions thereof) which are (except in the case of VP Systems Covered Bonds) attached to or endorsed on this Covered Bond. The terms and conditions applicable to any particular Tranche of Covered Bonds are these Conditions as completed by the relevant Final Terms or (in the case of Exempt Covered Bonds only) as completed and/or amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Final Terms or Pricing Supplement, the relevant Final Terms or Pricing Supplement shall prevail.
- 1.6 *Summaries:* The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement, the VP Systems Agency Agreement and the Deed of Covenant are obtainable during normal business hours at the Specified Office of each of the Paying Agents. If this Covered Bond is admitted to trading on the Irish Stock Exchange’s regulated market, the relevant Final Terms will be available for viewing on the website of the Irish Stock Exchange at www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data. The Covered Bondholders and the Couponholders are deemed to have notice of all the provisions of the Agency Agreement and the relevant Final Terms or Pricing Supplement which are applicable to them.

2. Interpretation

- 2.1 *Definitions:* In these Conditions the following expressions have the following meanings:
- “**Accrual Yield**” has the meaning given in the relevant Final Terms or Pricing Supplement;
- “**Applicable Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms or Pricing Supplement;
- “**Applicable Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms or Pricing Supplement;
- “**Bearer Covered Bonds**” means Covered Bonds issued in bearer form;
- “**Business Day**” means:
- (i) in the case of Interest Determination Dates only, where the relevant Final Terms or Pricing Supplement specifies a “Business Day” preceded by a city for the purposes of the Interest Determination Date(s), a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in that city; and
 - (ii) in all other cases, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Applicable Business Centre, and if TARGET is an Applicable Business Centre, a TARGET Settlement Day;

“**Business Day Convention**”, in relation to any particular date, shall be as specified in the relevant Final Terms or Pricing Supplement and, if so specified in the relevant Final Terms or Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms or Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“**Calculation Agent**” means the Fiscal Agent or such other Person specified in the relevant Final Terms or Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms or Pricing Supplement;

“**Calculation Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Call Option**” has the meaning ascribed to such term in the Final Terms or Pricing Supplement;

“**CIBOR**” means the Copenhagen interbank offered rate;

“**CITA**” means the Copenhagen interbank tomorrow/next average rate;

“**Clearing System Business Day**” means any day other than (i) Saturdays and Sundays and (ii) 1 January and 25 December;

“**Clearstream, Luxembourg**” means Clearstream Banking S.A.;

“**Couponholders**” means the holders of the Coupons, and such expression shall, unless the context otherwise requires, include the holders of Talons;

“**Covered Bondholders**” means the holders for the time being of the Covered Bonds, and such expression shall in relation to any Covered Bonds represented by a global Covered Bond and in relation to VP Systems Covered Bonds, be construed as provided below;

“**Covered Bonds Act**” means the Swedish Act on Issuance of Covered Bonds (Sw: *lag (2003:1223) om utgivning av säkerställda obligationer*), as may be supplemented, amended, modified or varied from time to time;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period) (the “**Calculation Period**”):

- (i) if “**Actual/Actual (ICMA)**” is specified hereon,
 - (a) if the Calculation Period is equal to or shorter than the Regular Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Regular Period and (y) the number of Regular Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Regular Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (ii) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

“**Determination Date(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Early Redemption Amount (Tax)**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

“**Early Termination Amount**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

“**EONIA**” means the euro overnight index average rate;

“**Euroclear**” means Euroclear Bank SA/NV;

“**Exempt Covered Bonds**” shall have the meaning given to it in Condition 1.2;

“**Extended Maturity Date**” means the date falling no later than twelve months from the Maturity Date of the Covered Bonds, subject to any adjustments as specified in the relevant Final Terms or Pricing Supplement;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Interest Amount**” means, in relation to a Calculation Amount and an Interest Period, the amount of interest payable in respect of the Calculation Amount for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Covered Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms or Pricing Supplement;

“**Interest Determination Date**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Interest Payment Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms or Pricing Supplement and, if a Business Day Convention is specified in the relevant Final Terms or Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms or Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

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

“**ISDA Definitions**” means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the relevant Final Terms or Pricing Supplement)) as published by the International Swaps and Derivatives Association, Inc.;

“**Issue Date**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Issuer Cover Pool**” means the pool of assets maintained by the Issuer which has the benefit of a statutory preference under the Covered Bonds Act;

“**Margin**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Maturity Date**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Maximum Redemption Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Member States**” means the member states of the European Economic Area;

“**Minimum Redemption Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**NIBOR**” means the Norwegian interbank offered rate;

“**Optional Redemption Amount (Call)**” means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

“**Optional Redemption Amount (Put)**” means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Outstanding Principal Amount**” means, in respect of a Covered Bond, its principal amount outstanding or otherwise as specified in the Final Terms or Pricing Supplement;

“**Payment Business Day**” means:

- (i) if relevant, a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and commercial banks and foreign exchange markets settle payments generally; and
- (ii) in the case of payment by transfer to an account, a day on which commercial banks and foreign exchange markets settle payments generally in each Applicable Financial Centre, and if TARGET is an Applicable Financial Centre, a TARGET Settlement Day;

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

“**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area;

“**Put Option Notice**” means a notice, in the form available from the Specified Office of any Paying Agent, which must be delivered to a Paying Agent by any Covered Bondholder wanting to exercise its right to require the Issuer to redeem a Covered Bond;

“**Put Option Receipt**” means a receipt issued by a Paying Agent to a depositing Covered Bondholder upon deposit of a Covered Bond with such Paying Agent by any Covered Bondholder wanting to exercise its right to require the Issuer to redeem a Covered Bond;

“**Rate of Interest**” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Covered Bonds specified in the relevant Final Terms or Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms or Pricing Supplement and subject, at all times, if any such rate is below zero, that such rate will be deemed to be zero, unless otherwise stated in the relevant Final Terms or Pricing Supplement;

“**Redemption Amount**” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be

specified in, or determined in accordance with the provisions of, these Conditions or the relevant Final Terms or Pricing Supplement;

“**Reference Banks**” has the meaning given in the relevant Final Terms or Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

“**Reference Price**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Reference Rate**” has the meaning given in the relevant Final Terms or Pricing Supplement. In the case of Covered Bonds other than Exempt Covered Bonds, the Reference Rate shall be any one of LIBOR, EURIBOR, CIBOR, CITA, STIBOR, NIBOR and EONIA;

“**Register**” means the register established and maintained by the Issuer pursuant to the Covered Bonds Act;

“**Regular Period**” means:

- (i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“**Relevant Banking Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the place of presentation of the relevant Covered Bond or, as the case may be, Coupon;

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Applicable Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Covered Bondholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, the Reuter Money 3000 Service) specified as the Relevant Screen Page in the relevant Final Terms or Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Series**” means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, the date of the first payment of interest, if any, the amount and/or the Issue Price;

“**Specified Currency**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**STIBOR**” means the Stockholm interbank offered rate;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**Talon**” means a talon for further Coupons;

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System (“**TARGET**”) which was launched on 19 November 2007 or any successor thereto is open for the settlement of payments in euro;

“**Tranche**” means Covered Bonds which are identical in all respects (including as to listing);

“**Treaty**” means the Treaty on the Functioning of the European Union, as amended;

“**VP**” means VP Securities Services (*Værdipapircentralen A/S*), the Danish central securities depository;

“**VP Systems Covered Bonds**” means Covered Bonds issued in uncertificated book entry form cleared through VP; and

“**Zero Coupon Covered Bonds**” means a Covered Bond specified as such in the relevant Final Terms or Pricing Supplement.

2.2 *Interpretation:* In these Conditions:

- (i) Covered Bonds and Covered Bondholders shall be deemed to include references to Coupons and Coupon-holders, respectively, where relevant;
- (ii) if Talons are specified in the relevant Final Terms or Pricing Supplement as being attached to the Covered Bonds at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms or Pricing Supplement as being attached to the Covered Bonds at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of a Covered Bond and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Covered Bonds being “outstanding” shall be construed in accordance with the Agency Agreement;

- (vii) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Final Terms or Pricing Supplement, but the relevant Final Terms or Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Covered Bonds;
- (viii) any reference to the Agency Agreement or the Deed of Covenant shall be construed as a reference to the Agency Agreement or the Deed of Covenant, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Covered Bonds;
- (ix) VP Systems Covered Bonds are in dematerialised form, and any references in these Conditions to Coupons and Talons shall not apply to VP Systems Covered Bonds and no global or definitive Covered Bonds will be issued in respect thereof; and
- (x) if the Covered Bonds are Zero Coupon Covered Bonds, references to Coupons and Couponholders are not applicable.

2.3 *Final Terms or Pricing Supplement prevails:* Words and expressions defined in the Agency Agreement or used in the relevant Final Terms or Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that in the event of any inconsistency between the Agency Agreement and the relevant Final Terms or Pricing Supplement, the relevant Final Terms or Pricing Supplement will prevail.

3. Form, Denomination and Title

3.1 *Form of the Covered Bonds:* The Covered Bonds are issued in bearer form (the Bearer Covered Bonds) or, in the case of VP Systems Covered Bonds, uncertificated book entry form as specified in the relevant Final Terms or Pricing Supplement and, in the case of definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s).

3.2 *No Exchange:* VP Systems Covered Bonds may not be exchanged for Bearer Covered Bonds and vice versa.

The Covered Bonds are Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the relevant Final Terms or Pricing Supplement.

3.3 *Title to Covered Bond in definitive form:* Subject as set out below, title to the Bearer Covered Bonds and Coupons will pass by delivery. The Issuer and the Replacement Agent (as defined in the Agency Agreement) and any Paying Agent may deem and treat the bearer of any Bearer Covered Bond or Coupon 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 however, in the case of any global Covered Bond, without prejudice to the provisions set out in Condition 3.4 (*Title to Global Covered Bond*).

3.4 *Title to Global Covered Bond:* For so long as any of the Covered Bonds is represented by a global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (as the case may be) as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Covered Bonds standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Covered Bonds is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Fiscal Agent, the Replacement Agent and any other Paying Agent as the holder of such nominal amount of such Covered Bonds for all purposes other than (in the case only of Covered Bonds not being VP Systems Covered

Bonds) with respect to the payment of principal or interest on the Covered Bonds, for which purpose, in the case of Covered Bonds represented by a global Covered Bond, the bearer of the relevant global Covered Bond shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such Covered Bonds in accordance with and subject to the terms of the relevant global Covered Bond and the expressions “Covered Bondholder” and “Covered Bondholders” and related expressions shall be construed accordingly.

- 3.5 *Title to VP Systems Covered Bonds*: Title to the VP Systems Covered Bonds will pass by registration in the registers between the direct or indirect accountholders at VP in accordance with the rules and procedures of VP. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VP Systems Covered Bond. The holder of a VP Systems Covered Bond will be the person evidenced as such by a book entry in the records of VP.

4. Status of the Covered Bonds

The Covered Bonds constitute unsubordinated obligations issued in accordance with, and subject to, the Covered Bonds Act and rank *pari passu* among themselves and with all other obligations of the Issuer which benefit from the same priority right in the Issuer Cover Pool as the Covered Bonds under the Swedish Rights of Priority Act (*Förmånsrättslag (1970:979)*) and the Covered Bonds Act. To the extent claims in relation to the Covered Bonds and other claims with the same priority are not met out of the Issuer Cover Pool or the proceeds arising from it, the residual claims will rank *pari passu* with the claims of ordinary unsecured and unsubordinated creditors of the Issuer.

5. Interest

5.1 Interest on Fixed Rate Covered Bonds

- 5.1.1 *Interest*: Each Fixed Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

- 5.1.2 *Fixed Coupon Amount and Broken Amount*: Except as provided in the relevant Final Terms or Pricing Supplement, the amount of interest payable in respect of the Calculation Amount for any Interest Period shall be the relevant Fixed Coupon Amount or the relevant Broken Amount, as the case may be. Where the Specified Denomination of a Covered Bond is the Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the relevant Fixed Coupon Amount or the relevant Broken Amount, as the case may be. Where the Specified Denomination of a Covered Bond comprises more than one Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the aggregate of the Fixed Coupon Amounts or the Broken Amounts, as the case may be, for each Calculation Amount comprising the Specified Denomination.

- 5.1.3 *Calculation of Interest Amount*: If interest is required to be calculated for a period other than an Interest Period or if no Fixed Coupon Amount or Broken Amount is specified in the relevant Final Terms or Pricing Supplement, the amount of interest payable per Calculation Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product thereof 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 Covered Bond is the Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the amount (determined in the manner provided above) for the Calculation Amount. Where the Specified Denomination of a Covered Bond comprises more than one Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination, without any further rounding.

5.2 *Interest on Floating Rate Covered Bonds*

5.2.1 *Interest:* Each Floating Rate Covered Bond bears interest at the Rate(s) of Interest as specified in the relevant Final Terms or Pricing Supplement on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear for each Interest Period on either:

- (i) the Interest Payment Date(s) in each year specified in the relevant Final Terms or Pricing Supplement; or
- (ii) if no Interest Payment Date(s) is/are specified in the relevant Final Terms or Pricing Supplement, each date, which falls the number of months or other period specified as the Specified Period in the relevant Final Terms or Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

5.2.2 *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms or Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate(s) of Interest applicable to the Covered Bonds for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the relevant Final Terms or Pricing Supplement) the Margin (if any). For the purposes of this Condition 5.2.2, "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent was acting as Calculation Agent (as such term is defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option is as specified in the relevant Final Terms or Pricing Supplement;
- (ii) the Designated Maturity is a period specified in the relevant Final Terms or Pricing Supplement; and
- (iii) the relevant Reset Date is the day specified in the relevant Final Terms or Pricing Supplement.

For the purposes of this Condition 5.2.2, "Floating Rate", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

5.2.3 *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms or Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of Condition 5.2.3(i) above, such rate does not appear on that page or, in the case of Condition 5.2.3(ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (a) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (b) determine the arithmetic mean of such quotations; and

- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Covered Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Covered Bonds in respect of the last preceding Interest Period.

- 5.2.4 *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms or Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- 5.2.5 *Determination of Rate of Interest and Calculation of Interest Amounts:* The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period and will calculate the amount of interest (the “**Interest Amount**”) payable per Covered Bond in respect of the Floating Rate Covered Bonds for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Covered Bond for any Interest Period shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product thereof by the applicable Day Count Fraction for such Interest Period, 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. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated. Where the Specified Denomination of a Covered Bond is the Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the amount (determined in the manner provided above) for the Calculation Amount. Where the Specified Denomination of a Covered Bond comprises more than one Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination, without any further rounding.
- 5.2.6 *Notification of Rate of Interest and Interest Amounts:* The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent, each of the other Paying Agents, the Covered Bondholders and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and, in the case of VP Systems Covered Bonds, VP and the VP Systems Agent (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 12 (*Notices*) as soon as possible after their determination. 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 Covered Bonds have been admitted to listing or trading are for the time being listed and to the Covered Bondholders in accordance with Condition 12 (*Notices*).
- 5.2.7 *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 5, by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest

error) be binding on the Issuer, the Fiscal Agent, the other Paying Agents and all Covered Bondholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Covered Bondholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 *Accrual of Interest*: Subject as provided in Condition 5.4 (*Interest Payments up to the Extended Maturity Date*), each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue in accordance with these Conditions.

5.4 *Interest Payments up to the Extended Maturity Date*: If an Extended Maturity Date is specified in the relevant Final Terms or Pricing Supplement as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with Condition 7.9 (*Extension of Maturity Date*):

- (i) the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the Extended Maturity Date or, if the Covered Bonds are redeemed prior to the Extended Maturity Date, the Interest Payment Date on which they are redeemed, subject to Condition 5.3 (*Accrual of Interest*). In that event, interest shall be payable on those Covered Bonds at the rate determined in accordance with Condition 5.4(ii) on the principal amount outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date, subject as otherwise provided in the relevant Final Terms or Pricing Supplement. The final Interest Payment Date shall fall no later than the Extended Maturity Date;
- (ii) the rate of interest payable from time to time under Condition 5.4(i) will be as specified in the relevant Final Terms or Pricing Supplement and, where applicable, determined by the Calculation Agent so specified, three Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the relevant Final Terms or Pricing Supplement; and
- (iii) in the case of Covered Bonds which are Zero Coupon Covered Bonds, for the purposes of this Condition 5.4, the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

6. Payments

6.1 *Method of Payment*: Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account denominated in that currency and maintained by the payee with, a bank in the Applicable Financial Centre of that currency; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

All payments in respect of the Covered Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) 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 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto. References to “Specified Currency” will include any successor currency under applicable law.

6.2 *Presentation of Covered Bonds and Coupons:*

6.2.1 *Covered Bonds:* Payments of principal in respect of definitive Bearer Covered Bonds will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of Payment*) above only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of definitive Bearer Covered Bonds, and payments of interest in respect of definitive Bearer Covered Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the Specified Office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

6.2.2 *Coupons for Fixed Rate Covered Bonds:* Fixed Rate Covered Bonds in definitive bearer form (other than Long Maturity Covered Bonds (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Covered Bond 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.

6.2.3 *Coupons for Floating Rate or Long Maturity Covered Bonds:* Upon the date on which any Floating Rate Covered Bond or Long Maturity Covered Bond in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Covered Bond**” is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond 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 Covered Bond.

6.2.4 *Payments other than in respect of Matured Coupons:* If the due date for redemption of any definitive Bearer Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such definitive Bearer Covered Bond from (and including) the preceding Interest Payment Date or Interest Commencement Date, as the case may be, shall be payable only against surrender of the relevant definitive Bearer Covered Bond.

6.2.5 *Global Covered Bonds:* Payments of principal and interest (if any) in respect of Covered Bonds represented by any global Covered Bond will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Covered Bonds and otherwise in the manner specified in the relevant global Covered Bond against presentation or surrender, as the case may be, of such global Covered Bond at the Specified Office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such global Covered Bond by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

6.2.6 *Entitlement to Payment in respect of global Covered Bonds:* The holder of a global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such global

Covered Bond and the Issuer will be discharged by payment to, or to the order of, the holder of such global Covered Bond in respect of each amount so paid. Each of the persons shown in the records of Euroclear and Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Covered Bonds represented by such global Covered Bond must look solely to Euroclear and Clearstream, Luxembourg for its share of each payment so made by the Issuer to, or to the order of, the holder of such global Covered Bond.

6.2.7 *Payments in New York City*: Notwithstanding Condition 6.2.6 (*Entitlement to Payment in respect of global Covered Bonds*), if any amount of principal and/or interest in respect of Bearer Covered Bonds is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of such Bearer Covered Bonds will be made at the Specified Office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with Specified Offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such Specified Offices outside the United States of the full amount of principal and interest on the Covered Bonds in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such Specified Offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.2.8 *VP Systems Covered Bonds*: Payments of principal and interest in respect of VP Systems Covered Bonds will be made to the Covered Bondholders shown in the relevant records of VP in accordance with and subject to the rules and regulations from time to time governing VP.

6.3 *Payment Date*: If the due date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Business Day, the holder thereof shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to any further interest or other payment in respect of such delay.

6.4 *Exchange of Talons*: On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the Specified Office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

7. Redemption and Purchase

7.1 *Scheduled Redemption*: Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms or Pricing Supplement in the relevant Specified Currency on the Maturity Date, subject as provided below if an Extended Maturity Date is specified in the relevant Final Terms or Pricing Supplement.

7.2 *Redemption for Tax Reasons*: The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving no less than thirty nor more than sixty days' notice to the Fiscal Agent (and, in the case of VP Systems Covered Bonds, to the VP Systems Agent) and, in accordance with Condition 12 (*Notices*), to the Covered Bondholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*)

as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Covered Bonds; and

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than ninety days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due. Covered Bonds redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 *Redemption at the Option of the Issuer (Call Option)*: If the Call Option is specified in the relevant Final Terms or Pricing Supplement, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the relevant Final Terms or Pricing Supplement to the Covered Bondholders in accordance with Condition 12 (*Notices*) (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date (Call) and at the Optional Redemption Amount (Call) specified in, or determined in the manner specified in, the relevant Final Terms or Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date (Call). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount in each case as may be specified in the relevant Final Terms or Pricing Supplement. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (“**Redeemed Covered Bonds**”) will be (i) selected individually by lot without involving any part only of a Bearer Covered Bond, in the case of Redeemed Covered Bonds represented by definitive Covered Bonds; (ii) selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), as the case may be, in the case of Redeemed Covered Bonds represented by a global Covered Bond and (iii) selected in accordance with the rules of VP in the case of VP Systems Covered Bonds (such date of selection being hereinafter called the “**Selection Date**”). In the case of Redeemed Covered Bonds represented by definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 12 (*Notices*) not less than fifteen days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by definitive Covered Bonds shall be (so far as may be practicable) pro rata to their principal amounts, provided always that the amount redeemed in respect of each Covered Bond shall be equal to the minimum denomination thereof or an integral multiple thereof, subject always to compliance with all applicable laws and the requirements of any listing authority, stock exchange or quotation systems on which the Covered Bonds may be listed, traded or quoted. No exchange of the relevant global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 12 (*Notices*) at least five days prior to the Selection Date.

7.4 *Redemption at the Option of the Covered Bondholders (Put Option)*: If the Put Option is specified in the relevant Final Terms or Pricing Supplement, upon the holder of any Covered Bond giving to the Issuer in accordance with Condition 12 (*Notices*) not less than the minimum nor more than the maximum period of notice specified in the relevant Final Terms or Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part), such Covered Bond on the Optional Redemption Date (Put) and at the Optional Redemption Amount (Put) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (Put).

If the Covered Bond is in definitive form and held outside Euroclear and/or Clearstream, Luxembourg (as the case may be) to exercise the right to require redemption of this Covered Bond, the Covered Bondholder must deliver such Covered Bond at the Specified Office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any Specified Office of any Paying Agent (a “**Put Option Notice**”) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 7.

If the Covered Bond is represented by a global Covered Bond or is a Covered Bond in definitive form and held through Euroclear and/or Clearstream, Luxembourg, to exercise the right to require redemption of this Covered Bond, the Covered Bondholder must, within the notice period, give notice to the Fiscal Agent of such exercise in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (as the case may be) (which may include notice being given on its instruction by Euroclear and/or Clearstream, Luxembourg or any common depositary for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear and/or Clearstream, Luxembourg (as the case may be), from time to time and, if this Covered Bond is represented by a global Covered Bond in bearer form, at the same time present or procure the presentation of the relevant global Covered Bond to the Fiscal Agent for notation accordingly.

If the Covered Bond is a VP Systems Covered Bond, to exercise the right to require redemption of the VP Systems Covered Bonds, the holder of the VP Systems Covered Bonds, must, within the notice period, give notice to the VP Systems Agent of such exercise in accordance with the standard procedures of VP from time to time.

Any Put Option Notice given by any Covered Bondholder shall be irrevocable.

7.5 *Early Redemption Amounts:* For the purpose of Condition 7.2 (*Redemption for Tax Reasons*) above, the relevant Series of Covered Bonds will be redeemed at the Early Redemption Amount as follows:

- (i) at their Early Redemption Amount (Tax), together with accrued interest (if any) thereon; or
- (ii) in the case of Zero Coupon Covered Bonds, at an amount equal to the sum of (A) the Reference Price; and (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Covered Bond becomes due and payable; provided that, where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms or Pricing Supplement for the purposes of this Condition 7.5 or, if none is so specified, a Day Count Fraction of 30E/360; or
- (iii) on such other calculation basis as may be specified in the relevant Final Terms or Pricing Supplement.

7.6 *Purchases:* The Issuer, or any of its Subsidiaries may at any time purchase beneficially or procure others to purchase beneficially for its account Covered Bonds (provided that, in the case of definitive Bearer Covered Bonds, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Covered Bonds purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or surrendered to any Paying Agent for cancellation.

7.7 *Cancellation:* All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Covered Bonds, all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). The details of all Covered Bonds so cancelled and any Covered Bonds purchased and cancelled pursuant to Condition 7.6 (*Purchases*) (together, in the case of definitive Bearer Covered Bonds, with all unmatured Coupons cancelled therewith) shall be forwarded

to the Fiscal Agent and, in the case of VP Systems Covered Bonds, shall be deleted from the records of VP and cannot be reissued or resold.

7.8 *Late payment on Zero Coupon Covered Bonds:* If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Conditions 7.1 (*Scheduled Redemption*), 7.2 (*Redemption for Tax Reasons*), 7.3 (*Redemption at the Option of the Issuer (Call Option)*) or 7.4 (*Redemption at the Option of the Covered Bondholders (Put Option)*) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 7.5(ii) above as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Fiscal Agent and notice to that effect has been given to the Covered Bondholders in accordance with Condition 12 (*Notices*).

7.9 *Extension of Maturity Date:*

- (i) *Extended Maturity Date:* An Extended Maturity Date shall be specified in the relevant Final Terms or Pricing Supplement as applying to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit rating(s) from the relevant rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds.
- (ii) *Automatic Extension:* If an Extended Maturity Date is specified in the relevant Final Terms or Pricing Supplement as applying to a Series of Covered Bonds and the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the maturity of the outstanding Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise provided for in the relevant Final Terms or Pricing Supplement. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on any Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the relevant Final Terms or Pricing Supplement. If the Maturity Date is extended in accordance with this Condition 7.9, the Issuer shall give notice to the Covered Bondholders (in accordance with Condition 12 (*Notices*)) and the Paying Agents of its intention to redeem all or any of the principal amount outstanding of the Covered Bonds at least five Business Days prior to the relevant Interest Payment Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date, or give rise to rights to any such person.
- (iii) *Zero Coupon Bonds:* In the case of Covered Bonds which are Zero Coupon Covered Bonds to which an Extended Maturity Date is specified under the relevant Final Terms or Pricing Supplement, for the purposes of this Condition 7.9 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.
- (iv) *Extension Irrevocable:* Any extension of the maturity of Covered Bonds under this Condition 7.9 shall be irrevocable. Where this Condition 7.9 applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 7.9 shall not constitute an event of default or acceleration of payment for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Conditions.

(v) *Payments:* In the event of the extension of the maturity of Covered Bonds under this Condition 7.9, Interest Rates, Interest Periods and Interest Payment Dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the relevant Final Terms or Pricing Supplement and Condition 5.4 (*Interest Payments up to the Extended Maturity Date*).

(vi) *Partial Redemption after Maturity Date:*

In the case of any partial redemption of the Covered Bonds, the Covered Bonds to be redeemed (the “**Extension Period Redeemed Covered Bonds**”) will be:

- (a) in the case of Extension Period Redeemed Covered Bonds represented by definitive Covered Bonds, selected individually by lot without involving any part only of a Bearer Covered Bond;
- (b) in the case of Extension Period Redeemed Covered Bonds represented by a global Covered Bond, selected 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
- (c) in the case of Extension Period Redeemed Covered Bonds which are VP Systems Covered Bonds, selected in accordance with the standard procedures of VP,

in any such case, not more than four days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Extension Period Selection Date**”).

In the case of Extension Period Redeemed Covered Bonds represented by definitive Covered Bonds, a list of the serial numbers of such Extension Period Redeemed Covered Bonds will be published in accordance with Condition 12 (*Notices*) not less than three days prior to the date fixed for redemption. No exchange of the relevant global Covered Bond will be permitted during the period from (and including) the Extension Period Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.9 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 12 (*Notices*) at least two days prior to the Extension Period Selection Date.

(vii) *Restriction on Further Issues:* If the maturity of any Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 7.9, subject as otherwise provided for in the relevant Final Terms or Pricing Supplement, for so long as any of those Covered Bonds remains outstanding, the Issuer shall not issue any further Covered Bonds, unless the proceeds of issue of such further Covered Bonds are applied by the Issuer on issue to redeem in whole or in part the relevant Covered Bonds in accordance with the terms hereof.

8. Taxation

8.1 *Gross up:* All payments of principal and interest in respect of the Covered Bonds and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds 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 Covered Bond or Coupon:

- (i) in respect of any demand made for payment in Sweden; or

- (ii) in respect of any demand made for payment by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond or Coupon by reason of it having some connection with Sweden other than the mere holding of such Covered Bond or Coupon; or
- (iii) in respect of any demand made for payment more than thirty days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on making such demand for payment on or before the expiry of such period of thirty days; or
- (iv) in respect of any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof.

As used herein, the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or, in the case of VP Systems Covered Bonds, the holders of the VP Systems Covered Bonds, as the case may be, on or prior to 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 Covered Bondholders in accordance with Condition 12 (*Notices*).

- 8.2 *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than Sweden, references in these Conditions to Sweden shall be construed as references to Sweden and/or such other jurisdiction.

9. Prescription

The Covered Bonds (whether in bearer or uncertificated book entry form) and Coupons will become void unless presented for payment 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 8 (*Taxation*)).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (*Presentation of Covered Bonds and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of Covered Bonds and Coupons*).

10. Replacement of Covered Bonds, Coupons and Talons

If any Covered Bond, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Replacement Agent 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 Covered Bonds, Coupons or Talons must be surrendered before replacements will be issued.

11. Agents

- 11.1 *Fiscal Agent, Paying Agents and VP Systems Agent:* The names of the initial Fiscal Agent, other Paying Agents and VP Systems Agent and their initial Specified Offices are set out in the Agency Agreement or the VP Systems Agreement, as applicable.

- 11.2 *Variation of Appointment:* The Issuer is entitled to vary or terminate the appointment of any Paying Agent, any VP Systems Agent or any Calculation Agent and/or appoint additional or other Paying Agents, VP Systems Agents or Calculation Agents and/or approve any change in the Specified Office through which any Paying Agent, VP Systems Agent or Calculation Agent acts, provided that:

- (i) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Fiscal Agent) with a Specified Office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;
- (ii) there will at all times be a Paying Agent (which may be the Fiscal Agent) with a Specified Office in a city in continental Europe outside Sweden;
- (iii) there will at all times be a Fiscal Agent;
- (iv) in the case of VP Systems Covered Bonds, there will at all times be a VP Systems Agent authorised to act as an account holding institution with VP and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VP Systems Covered Bonds so require; and
- (v) in the circumstances described in Condition 6.2.7 (*Payments in New York City*), a Paying Agent having a Specified Office in New York City.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than thirty nor more than forty-five days' prior notice thereof shall have been given to the Covered Bondholders in accordance with Condition 12 (*Notices*).

- 11.3 *Agents of the Issuer:* In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying 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.

12. Notices

- 12.1 *Bearer Covered Bonds:* Notices to Bearer Covered Bondholders will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe, and, if such Covered Bonds are listed on the Official List of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange (so long as such Covered Bonds are listed on the Official List of the Irish Stock Exchange and the rules of that exchange so permit), if published on the website of the Irish Stock Exchange (www.ise.ie).

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Covered Bonds are for the time being listed or by which they have been admitted to trading.

Any notice so given will be deemed to have been validly given, in the case of any Bearer Covered Bonds, on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Covered Bondholders in accordance with this Condition 12 (*Notices*).

Notwithstanding Condition 12 (Notices), while all the Covered Bonds are represented by one or more global Covered Bonds and such global Covered Bonds are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Covered Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein and, in any case, such notices shall be deemed to have been given to the Covered Bondholders in accordance with Condition 12 (Notices) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

- 12.2 *VP Systems Covered Bonds*: Notices to VP Systems Covered Bondholders shall be given (i) in accordance with the procedures of VP, and (ii) if such VP Systems Covered Bonds are listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange (so long as such VP Systems Covered Bonds are listed on the Official List of the Irish Stock Exchange and the rules of that exchange so permit), if published on the website of the Irish Stock Exchange (www.centralbank.ie).

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the VP Systems Covered Bonds are for the time being listed or by which they have been admitted to trading.

Any such notice will be deemed to have been given on the date it is published in accordance with the procedures of VP.

13. Meetings of Covered Bondholders

- 13.1 *Meetings of Covered Bondholders other than VP Systems Covered Bondholders*: This Condition 13.1 is applicable only in relation to Covered Bonds other than VP System Covered Bonds. The Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of Covered Bondholders of any Series (other than VP Systems Covered Bonds) to consider matters relating to such Series of Covered Bonds, including (without limitation) the modification by Extraordinary Resolution (as defined in the Agency Agreement) of any provision of these Conditions and the Deed of Covenant insofar as the same may apply to such Covered Bonds. Any Extraordinary Resolution duly passed at any such meeting of Covered Bondholders of any Series will be binding on all Covered Bondholders of such Series, whether present or not at the meeting and on all Couponholders relating to Covered Bonds of such Series.

In addition, a resolution in writing signed by or on behalf of all Covered Bondholders who for the time being are entitled to receive notice of a meeting of Covered Bondholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Covered Bondholders.

- 13.2 *Modification of Covered Bonds other than VP Systems Covered Bonds*: This Condition 13.2 is applicable only in relation to Covered Bonds other than VP Systems Covered Bonds. The Issuer may, with the consent of the Fiscal Agent, amend the Covered Bonds, these Conditions and the Deed of Covenant without the consent of the Covered Bondholders or Couponholders to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions or the Deed of Covenant except with the sanction of an Extraordinary Resolution.

- 13.3 *Meeting of VP Systems Covered Bondholders*: This Condition 13.3 is applicable only in relation to VP Systems Covered Bonds. Meetings of VP Systems Covered Bondholders shall be held in compliance with the relevant regulations of VP.

- 13.4 *Modification of VP Systems Covered Bonds*: This Condition 13.4 is applicable only in relation to VP Systems Covered Bonds. The Issuer may amend the Covered Bonds and these Conditions without the consent of the Covered Bondholders to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions except as provided below.

In addition, the Covered Bonds and these Conditions may be modified by a resolution in writing signed by or on behalf of all Covered Bondholders or pursuant to a meeting of VP Systems Covered Bondholders in accordance with Condition 13.3 above (*Meeting of VP Systems Covered Bondholders*) above.

14. Further Issues

Subject to Condition 7.9 (*Extension of Maturity Date*), the Issuer shall be at liberty from time to time without the consent of the Covered Bondholders or Couponholders to create and issue further covered bonds (“**Further Covered Bonds**”) having terms and conditions the same as the Covered Bonds or the same in all respects save for the amount, the date of the first payment of interest, if any, thereon and/or the issue price thereof and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds.

15. Governing law and Submission to Jurisdiction

15.1 *Governing Law:* The Agency Agreement, the Covered Bonds, the VP Systems Covered Bonds and the Coupons and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law except that the provisions of the Covered Bonds under Condition 4 (*Status of the Covered Bonds*) shall be construed in accordance with Swedish law and regulations. In the case of registration of the Covered Bonds in VP, these shall be governed by Danish laws and regulations.

15.2 *Submission to Jurisdiction:* The Issuer agrees, for the exclusive benefit of the Paying Agents, the Covered Bondholders 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 Covered Bonds and/or the Coupons and that accordingly, any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Agency Agreement, the Covered Bonds and the Coupons may be brought in such courts.

15.3 *Waiver of Objection:* The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

15.4 *No limitation of Rights:* Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

15.5 *Appointment of English Process Agent:* The Issuer appoints Danske Bank A/S at its registered office for the time being at 75 King William Street, London EC4N 7DT as its agent for service of process, and undertakes that, in the event of Danske Bank A/S ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Fiscal Agent as its agent for service of process in England in respect of any Proceedings.

15.6 Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

16. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any Term or Condition of the Covered Bonds under the Contracts (Rights of Third Parties) Act 1999.

PRO FORMA FINAL TERMS FOR COVERED BONDS OTHER THAN EXEMPT COVERED BONDS

Pro Forma Final Terms for an issue of Covered Bonds other than Exempt Covered Bonds by Danske Hypotek AB (publ) under the EUR 10,000,000,000 Programme for Issuance of Covered Bonds.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][*Include unless the Final Terms specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”*]

[MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [MiFID II/Directive 2014/65/EU (as amended, “**MiFID II**”)]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if applicable*]. Any person subsequently offering, selling or recommending the Covered Bonds (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 Covered Bonds (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 eligible counterparties target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); *EITHER* [(ii) all channels for distribution of the Covered Bonds 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 Covered Bonds to retail clients are appropriate – investment advice[,/and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor’s (as defined below) suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (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 Covered Bonds (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].]

[Amounts payable under the Covered Bonds will be calculated by reference to [*specify benchmark (as this term is defined in the Benchmarks Regulation)*] which is provided by [*legal name of the benchmark administrator*]. As at the date of these Final Terms, [*legal name of the benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”).

[As far as the Issuer is aware, [*specify benchmark (as this term is defined in the Benchmarks Regulation)*] [does not fall within the scope of the Benchmarks Regulation/the transitional provisions in Article 51 of the Benchmarks Regulation apply] such that [*legal name of the benchmark administrator*] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]

FINAL TERMS DATED [●]

Series No. [●]

Tranche No. [●]

DANSKE HYPOTEK AB (PUBL)

EUR 10,000,000,000

Programme for Issuance of Covered Bonds

Issue of

[*Aggregate Nominal Amount of Tranche*] [*Title of Covered Bonds*]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 28 March 2018 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of [Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the “**Prospectus Directive**”)] [the Prospectus Directive]. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, the Central Bank of Ireland’s website at www.centralbank.ie. The Final Terms are available for viewing at the website of the Irish Stock Exchange at www.ise.ie.

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]

[When completing any Final Terms, consideration should be given as to whether any information required to complete the Final Terms constitutes “significant new factors” and consequently triggers the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. (i) Series Number: [●]
- (ii) Tranche Number: [●]
- (iii) Date on which the Covered Bonds will be consolidated and form a single Series: [Not Applicable]/[The Covered Bonds will be consolidated and form a single Series with [*identify earlier Tranche(s)*] on [the Issue Date/exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph [●] below, which is expected to occur on or about [*date*].]
2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount: [[●]]
 - (i) [[Series:]] [●]

- (ii) Tranche: [●]¹
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [(plus [amount] accrued interest from [insert date]) (if applicable)]
5. (i) Specified Denomination(s): [●] [and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. [No Definitive Covered Bonds will be issued with a denomination above [EUR 199,000].]]
- (ii) 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. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●]
7. (i) Maturity Date: [specify date][, subject to adjustment in accordance with the Business Day Convention][(NB: include adjustment wording for Floating Rate Covered Bonds)]
- (ii) Extended Maturity Date: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sections of this subparagraph)*
- The Extended Maturity Date is [specify date][, subject to adjustment in accordance with the Business Day Convention]²[(NB: include adjustment wording for Floating Rate Covered Bonds)]
- [If applicable, complete relevant sections regarding interest, etc.]*
8. Interest Basis: [[●] per cent. Fixed Rate][from (and including) the Issue Date to (but excluding) the Maturity Date]
- [Thereafter] [[T/t]he relevant [currency] LIBOR / EURIBOR / CIBOR / CITA / STIBOR / NIBOR / EONIA] Floating Rate specified in paragraph 13 (vii) [plus/minus] the relevant Margin specified in paragraph 13 (ix)]
- [Zero Coupon]
- (further particulars specified below at paragraph [12] [13] [14])
9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on

¹ Only need subsections if issue is an increase.

² If applicable, specified date should be that falling one year after the Maturity Date.

- the Maturity Date at [100.00/[●]] per cent. of their nominal amount.
10. Change of Interest Basis: [Not Applicable/cross refer to paragraph 8 above or paragraphs 12 and 13 below]
11. Put/Call Options: [Call Option/Put Option/Not Applicable]
[(see paragraphs 15 and 16 below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Covered Bond Provisions** [Applicable [until the Maturity Date]/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable [annually/semi-annually/ quarterly/monthly] in arrear
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [Not Applicable]/[[●] per Calculation Amount payable on [●]] *(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[s])*
- (v) Day Count Fraction: [30/360 / Actual/Actual ([ICMA]/ISDA)]
13. **Floating Rate Covered Bond Provisions** [Applicable [if the Issuer does not redeem the Covered Bonds in full on the Maturity Date or within three Business Days thereafter]/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Specified Period: [Not Applicable/[●]]
(Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert “Not Applicable”)
- (ii) Interest Payment Date(s): [Not Applicable/[●]]
(Specified Period and Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert “Not Applicable”)
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iv) Applicable Business Centre(s): [Not Applicable/insert Applicable Business Centres]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]

- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): [●]
- (vii) Screen Rate Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Reference Rate: [●] month [[currency] LIBOR / EURIBOR / CIBOR / CITA / STIBOR / NIBOR / EONIA]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
 - Relevant Time: [●] in the Relevant Financial Centre
 - Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen]
 - Reference Banks [●]
- (viii) ISDA Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (ix) Margin(s): [Plus/Minus][●] per cent. per annum
- (x) Minimum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xi) Maximum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xii) Day Count Fraction: [●]
14. **Zero Coupon Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [●] per cent. per annum
 - (ii) Reference Price: [●]

PROVISIONS RELATING TO REDEMPTION

15. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s) (Call):
 - (ii) Optional Redemption Amount (Call) of each Covered Bond: [●] per Calculation Amount
 - (iii) If redeemable in part: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-

- paragraphs of this paragraph)*
- (a) Minimum Redemption Amount: [●]
 - (b) Maximum Redemption Amount: [●]
 - (iv) Notice periods: [Minimum period: [●] days
Maximum period: [●] days]
16. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s) (Put): [●]
 - (ii) Optional Redemption Amount (Put): [●] per Calculation Amount
 - (iii) Notice periods: [Minimum period: [●] days
Maximum period: [●] days]
17. **Final Redemption Amount** [Outstanding Principal Amount/[●] per Calculation Amount]
18. **Early Redemption Amount [(Tax)] or Early Termination Amount**
Early Redemption Amount [(Tax)] or Early Termination Amount or other early redemption: [As set out in the Conditions]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

19. Form of Covered Bonds: [Bearer Covered Bonds] [Initially represented by a [Temporary/Permanent] Global Covered Bond.]
[Specify. If nothing is specified and these Final Terms do not specify that TEFRA C Rules apply, the Covered Bonds will be represented initially by a Temporary Global Covered Bond. If these Final Terms specify that TEFRA C Rules apply, the Covered Bonds will be represented by a Permanent Global Covered Bond]
- [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Permanent Global Covered Bond.]
- [Temporary Global Covered Bond exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Temporary Global Covered Bond.]
- [Permanent Global Covered Bonds exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the

Permanent Global Covered Bond.]

(N.B. In the case of Bearer Covered Bonds, the exchange upon notice/at any time options as specified above and in the Conditions should not be expressed to be applicable if the Specified Denomination of the Covered Bonds in paragraph 5 includes language substantially to the following effect: “[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof and up to and including [EUR 199,000].”)

[VP Systems Covered Bonds issued in uncertificated and dematerialised book entry form. See further item [5] of Part B below.]

- 20. New Global Covered Bond Form: [Applicable/Not Applicable]
- 21. Applicable Financial Centre(s): [Give details. See definition of Payment Business Day in the Conditions. Note that this item relates to the date and place of payment, and not to Interest Payment Dates]
- 22. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No. If yes, give details]

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

CC: Citibank, N.A., London Branch, as Fiscal Agent

PART B - OTHER INFORMATION

1. Listing and Admission to Trading

- (i) Listing: [The Official List of the Irish Stock Exchange/ The Nasdaq Copenhagen A/S/ The Oslo Børs/ The Nasdaq Stockholm AB]
- (ii) Admission to trading: [Application has been made for the Covered Bonds to be admitted to trading on the [Irish Stock Exchange’s/ Nasdaq Copenhagen A/S’s/ Oslo Børs’s/ Nasdaq Stockholm AB’s] regulated market with effect on or about [●]]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*
- (iii) Estimate of total expenses relating to admission to trading: [[●]/Not Applicable]

2. Ratings

- Ratings: [Not Applicable]/[The Covered Bonds to be issued [[have been]/[are expected to be]] rated *[insert details]* by Standard & Poor’s Credit Market Services Europe Limited (“S&P”).
- [There is no guarantee that the above rating will be maintained following the date of these Final Terms. Up-to-date information should always be sought by direct reference to S&P.]
- (The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- [S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

3. [Interests of Natural and Legal Persons involved in the [Issue/Offer]

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

Save as discussed in the “Subscription and Sale” and “General Information” sections of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.]

[4.] [Fixed Rate Covered Bonds only – Yield

- Indication of yield: [●]
- As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

[5.] **Operational Information**

[ISIN Code/Securities Identification [●]
Number]:

Common Code: [●]

New Global Covered Bond intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable] (*For VP Systems Covered Bonds only*)

[Yes. Note that the designation “Yes” simply means that the Covered Bonds are intended upon issue to be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the “ICSDs”)] as common safe-keeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[Yes. Note that the designation “Yes” does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] (*Include for issues of relevant VP Systems Covered Bonds only*)

[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 Covered Bonds are capable of meeting them, the Covered Bonds may then be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the “ICSDs”)] as common safe-keeper. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

Any clearing system(s) other than Euroclear Bank SA/NV or Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/VP/ give name(s)][The Issuer shall be entitled to obtain certain information from the register maintained by VP for the purpose of performing its obligations under the issue of VP Systems Covered Bonds] (*delete as applicable*)

Settlement Procedures: [Specify whether customary covered bond/other

settlement and payment procedures apply]
 Delivery: Delivery [against/free of] payment
 Names and addresses of additional Paying Agent(s) (if any): [●]

[6.] **Distribution**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: [Not Applicable/[●]]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: [As set out in the Base Prospectus/TEFRA C Rules apply/Not Applicable]
(Specify whether the automatic position in the Base Prospectus applies (ie. TEFRA D Rules apply) or TEFRA C Rules apply or whether TEFRA Rules are not applicable.)
- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

[7.] **Third Party Information**

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]
[delete if not applicable]

PRO FORMA PRICING SUPPLEMENT FOR EXEMPT COVERED BONDS

Pro Forma Pricing Supplement for an issue of Exempt Covered Bonds by Danske Hypotek AB (publ) under the EUR 10,000,000,000 Programme for Issuance of Covered Bonds.

The Pricing Supplement in respect of each Tranche or, as the case may be, Series of Exempt Covered Bonds will be substantially in the following form, duly completed to reflect the particular terms of the relevant Covered Bonds and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][*Include unless the Pricing Supplement specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”*]

[MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [MiFID II/Directive 2014/65/EU (as amended, “**MiFID II**”)]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if applicable*]. Any person subsequently offering, selling or recommending the Covered Bonds (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 Covered Bonds (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 eligible counterparties target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); *EITHER* [(ii) all channels for distribution of the Covered Bonds 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 Covered Bonds to retail clients are appropriate – investment advice[,/and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor’s (as defined below) suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (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 Covered Bonds (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].]

[Amounts payable under the Covered Bonds will be calculated by reference to [*specify benchmark (as this term is defined in the Benchmarks Regulation)*] which is provided by [*legal name of the benchmark administrator*].

As at the date of this Pricing Supplement, [*legal name of the benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”).

[As far as the Issuer is aware, [*specify benchmark (as this term is defined in the Benchmarks Regulation)*] [does not fall within the scope of the Benchmarks Regulation/the transitional provisions in Article 51 of the Benchmarks Regulation apply] such that [*legal name of the benchmark administrator*] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]

PRICING SUPPLEMENT DATED [●]

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC AS AMENDED FOR THIS ISSUE OF COVERED BONDS.

Series No. [●]

[Tranche No. [●]]

DANSKE HYPOTEK AB (PUBL)

EUR 10,000,000,000

Programme for Issuance of Covered Bonds

Issue of

[*Aggregate Nominal Amount of [Tranche/Series]*] [*Title of Covered Bonds*]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Covered Bonds (the “**Conditions**”) set forth in the Base Prospectus dated 28 March 2018 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”). Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, the Central Bank of Ireland’s website at www.centralbank.ie.

[*Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.*]

- | | | | |
|----|-------|--|--|
| 1. | (i) | Series Number: | [●] |
| | (ii) | Tranche Number: | [[●]/Not Applicable] |
| | (iii) | Date on which the Covered Bonds will be consolidated and form a single Series: | [Not Applicable]/[The Covered Bonds will be consolidated and form a single series with [<i>identify earlier Tranche(s)</i>] on [the Issue Date]] |
| 2. | | Specified Currency or Currencies: | [●] |
| 3. | | Aggregate Nominal Amount: | [[●]] |
| | (i) | [[Series:]] | [●] |
| | (ii) | Tranche: | [●] ¹ |

¹ Only need subsections if issue of Covered Bonds is an increase.

4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [*plus [amount] accrued interest from [insert date] (if applicable)*]
5. (i) Specified Denomination(s): [●]
(ii) Calculation Amount: [●]
6. (i) Issue Date: [●]
(ii) Interest Commencement Date: [●]
7. (i) Maturity Date: [*specify date*][, subject to adjustment in accordance with the Business Day Convention][*(NB: include adjustment wording for Floating Rate Covered Bonds)*]
(ii) Extended Maturity Date: [Applicable/Not Applicable]
(*If not applicable, delete the remaining sections of this subparagraph*)
The Extended Maturity Date is [*specify date*][, subject to adjustment in accordance with the Business Day Convention.]²[*(NB: include adjustment wording for Floating Rate Covered Bonds)*]
[*If applicable, complete relevant sections regarding interest, etc.*]
8. Interest Basis: [[●] per cent. Fixed Rate][for the period from (and including) the Issue Date to (but excluding) the Maturity Date]
[Thereafter] [[T/t]he relevant [*currency*] [*reference rate*]] Floating Rate specified in paragraph 13 (vii) [plus/minus] the relevant Margin specified in paragraph 13 (ix)
[Zero Coupon]
(further particulars specified below)
9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at 100.00 per cent. of their nominal amount.
10. Change of Interest Basis: [*Not Applicable/or specify details of any provision for convertibility of Covered Bonds into another interest basis or cross refer to paragraph 8 above or paragraphs 12 and 13 below if details are included there*]
11. Put/Call Options: [Call Option/Put Option/Not Applicable]
[(see paragraphs 15 and 16 below)]

² If applicable, specified date should be that falling one year after the Maturity Date.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Covered Bond Provisions** [Applicable [until the Maturity Date]/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/ quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [Not Applicable]/[[●] per Calculation Amount payable on [●]] *(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[s])*
- (v) Day Count Fraction: [30/360 / Actual/Actual ([ICMA]/ISDA)]
13. **Floating Rate Covered Bond Provisions** [Applicable [if the Issuer does not redeem the Covered Bonds in full on the Maturity Date or within three Business Days thereafter]/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Specified Period: [●]
(Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
- (ii) Interest Payment Date(s): [●]
(Specified Period and Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iv) Applicable Business Centre(s): [Not Applicable/insert Applicable Business Centres]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): [●]
- (vii) Screen Rate Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Reference Rate: [●]

- Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
 - Relevant Time: [●] in the Relevant Financial Centre
 - Relevant Financial Centre: [●]
 - Reference Banks [●]
- (viii) ISDA Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (ix) Margin(s): [Plus/Minus][●] per cent. per annum
- (x) Minimum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xi) Maximum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xii) Day Count Fraction: [●]
14. **Zero Coupon Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [●] per cent. per annum
- (ii) Reference Price: [●]
- PROVISIONS RELATING TO REDEMPTION**
15. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s) (Call):
- (ii) Optional Redemption Amount (Call) [●] per Calculation Amount
of each Covered Bond and method,
if any, of calculation of such
amount(s):
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●]
 - (b) Maximum Redemption Amount: [●]
- (iv) Notice periods: [Minimum period: [●] days
Maximum period: [●] days]
16. **Put Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s) (Put): [●]
 - (ii) Optional Redemption Amount (Put): [●] per Calculation Amount
 - (iii) Notice periods: [Minimum period: [●] days
Maximum period: [●] days]
17. **Final Redemption Amount** [Outstanding Principal Amount/[●] per Calculation Amount]
18. **Early Redemption Amount [(Tax)] or Early Termination Amount** [As set out in the Conditions]
- Early Redemption Amount [(Tax)] or Early Termination Amount or other early redemption:

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

19. Form of Covered Bonds: [Bearer Covered Bonds] [Initially represented by a [Temporary/Permanent] Global Covered Bond.] [Specify. If nothing is specified and these Final Terms do not specify that TEFRA C Rules apply, the Covered Bonds will be represented initially by a Temporary Global Covered Bond. If these Final Terms specify that TEFRA C Rules apply, the Covered Bonds will be represented by a Permanent Global Covered Bond]
- [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Permanent Global Covered Bond.]
- [Temporary Global Covered Bond exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Temporary Global Covered Bond.]
- [Permanent Global Covered Bonds exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Permanent Global Covered Bond.]
- (N.B. In the case of Bearer Covered Bonds, the exchange upon notice/at any time options as specified above and in the Conditions should not be expressed to be applicable if the Specified Denomination of the Covered Bonds in paragraph 5 includes language substantially to the following effect: "[[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof and up to and including [EUR 199,000]].")*
- [VP Systems Covered Bonds issued in uncertificated

and dematerialised book entry form. See further item [2] of Part B below.]

- 20. New Global Covered Bond Form: [Applicable/Not Applicable] [*Will likely be not applicable for all Exempt Covered Bonds.*]
- 21. Applicable Financial Centre(s) or other special provisions relating to Payment Business Day: [*Give details. See definition of Payment Business Day in the Conditions. Note that this item relates to the date and place of payment, and not to Interest Payment Dates*]
- 22. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No. *If yes, give details*]

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

CC: Citibank, N.A., London Branch, as Fiscal Agent

PART B - OTHER INFORMATION**1. Listing and Admission to Trading**

- (i) Listing: [Specify/Not Applicable]
- (ii) Admission to trading: [Application has been made for the Covered Bonds to be admitted to trading on [specify] with effect from [●]/Not Applicable.]
(Where documenting a fungible issue, need to indicate that original securities are already admitted to trading.)
- (iii) Estimate of total expenses relating to admission to trading: [[●]/Not Applicable]

2. Ratings

Ratings: [Not Applicable]/[The Covered Bonds to be issued [[have been]/[are expected to be]] rated *[insert details]* by Standard & Poor's Credit Market Services Europe Limited ("S&P").

[There is no guarantee that the above rating will be maintained following the date of this Pricing Supplement. Up-to-date information should always be sought by direct reference to S&P.]

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

[S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

[3.] Operational Information:

[ISIN Code/Securities Identification Number]: [[●]/Not Applicable]

Common Code: [[●]/Not Applicable]

Intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable]

[Yes. Note that the designation "Yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the "ICSDs")] as common safe-keeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon

issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[Yes. Note that the designation “Yes” does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]
(Include for issues of relevant VP Systems Covered Bonds only)

[No. Whilst the designation is specified as “No” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the “ICSDs”)] as common safe-keeper. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):

[Not Applicable/VP/ give name(s)][The Issuer shall be entitled to obtain certain information from the register maintained by VP for the purpose of performing its obligations under the issue of VP Systems Covered Bonds] (delete as appropriate)

Settlement Procedures:

[Specify whether customary covered bond/other settlement and payment procedures apply]

Delivery:

Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any):

[●]

[4.] **Distribution**

- | | | |
|-------|---|-----------------------------|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/give names] |
| (iii) | Date of Subscription Agreement: | [Not Applicable/[●]] |
| (iv) | Stabilising Manager(s) (if any): | [Not Applicable/give name] |
| (v) | If non-syndicated, name of relevant Dealer: | [Not Applicable/give name] |

- | | | |
|-------|---|--|
| (vi) | U.S. Selling Restrictions: | [As set out in the Base Prospectus/TEFRA C Rules apply/Not Applicable]

<i>(Specify whether the automatic position in the Base Prospectus applies (ie. TEFRA D Rules apply) or TEFRA C Rules apply or whether TEFRA Rules are not applicable.)</i> |
| (vii) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable] |

[5.] **Third Party Information**

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

USE OF PROCEEDS

The net proceeds from each issue of Covered Bonds will be used by the Issuer to meet part of its general financing requirements.

DESCRIPTION OF THE ISSUER

Introduction

The Issuer (Reg. no. 559001-4154) was formed on 20 January 2015 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 23 January 2015. The Issuer's principal place of business is in Stockholm, Sweden, its registered address is Box 7523, SE-103 92 Stockholm, Sweden, and its visiting address is Norrmalmstorg 1, SE-103 92 Stockholm, Sweden. The Issuer's telephone number is +46 8-568 808 98. The Issuer is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*Aktiebolagslagen (2005:551)*). The present share capital of the Issuer is SEK 50,000,000 represented by 500,000 shares. Each share has a quota value of SEK 100.

The Issuer is a wholly-owned subsidiary of Danske Bank A/S and has been established for the purpose of managing the Group's issuance of covered bonds under the Covered Bonds Act. On 26 June 2017 the Issuer was granted a licence by the SFSA to conduct financing business as a credit market company as well as a licence to issue covered bonds under the Covered Bonds Act.

Of the five members of the Issuer's board of directors, four members are senior executives of Danske Bank A/S and one member is an independent member. The Issuer also has an independent managing director (see further below). The Swedish Banking and Finance Business Act regulates certain related-party transactions between the Issuer and Danske Bank A/S.

Relevant legislation and supervision

The Issuer undertakes financing operations as a credit market company and is therefore governed by the Swedish Banking and Financing Business Act (*lag (2004:297) om bank- och finansieringsrörelse*). In addition, the Swedish Supervision of Credit and Investment Institutions Act (*Lag (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*) and the Swedish Act on Capital Buffers (*Lag (2014:966) om kapitalbuffertar*) set forth certain requirements concerning capital adequacy.

The Issuer's operations are under the supervision of the SFSA.

Principal activity

The Issuer's principal activity is to acquire Swedish mortgages from Danske Bank A/S, Danmark, Sverige Filial (the "**Swedish Branch**"), which are secured by security over Swedish real property (*fastigheter*), site leasehold rights (*tomträtter*) and tenant-ownership rights (*bostadsrätter*) and to fund such activity with the continuous issuance of covered bonds in the Swedish benchmark-market and covered bonds in the international capital market (under two separate programmes). The acquired mortgages will be included in the Issuer Cover Pool and must fully or in part comply with the requirements under the Covered Bonds Act. The Issuer may also hold Supplemental Assets and Public Credits (each as defined in the section "*Overview of Swedish Legislation Relating to Covered Bonds*") in the Issuer Cover Pool which can be used as supplemental security in accordance with the Covered Bonds Act.

In addition to acquiring mortgage loans originated by the Swedish Branch, the Issuer may, in the future, originate its own Swedish mortgage loans as an original lender.

The Issuer will not receive deposits from the public.

Business strategy and funding structure

Acquisition of mortgage assets

The Issuer will, as Danske Bank A/S's outstanding covered bonds backed by Swedish mortgage loans mature, gradually seek to acquire such mortgage loans for the purpose of including them in the Issuer Cover Pool. During a transitional period, the acquisition of mortgage loans will occur on a continuous basis and by bulk acquisitions. Thereafter, the acquisitions are expected to mainly occur on a continuous basis, as the Swedish Branch originates new mortgage loans in Sweden.

In an initial phase, the Issuer will acquire residential mortgage loans to private individuals (related to the Swedish Branch's personal banking portfolio). In a subsequent phase, the Issuer intends to acquire mortgage loans to corporate owners of residential multi-family properties (related to the Swedish Branch's business banking portfolio).

Junior credit facility agreement between the Parent and the Issuer

To enable the Issuer to finance the initial purchase of mortgage loans, as well as ongoing further purchases of mortgage loans, from the Swedish Branch, for the funding of maturing Covered Bonds, for providing liquidity for interest payments and for general corporate purposes, the Parent has made available to the Issuer a SEK 35,000 million credit facility, which according to the Subordination Agreement mentioned below, is subordinated to all claims of unsubordinated creditors of the Issuer. The junior credit facility currently has a credit period of 12 months (subject to potential renegotiation), which with the consent of the Parent may be extended in further 12-month periods. The Parent has the right to terminate the facility with immediate effect if certain events of default occur.

Subordination Agreement

For the purposes of managing subordination in respect of certain joint collateral, securing debt of both the Issuer and the Parent, the Issuer and the Parent have entered into a subordination agreement dated 25 July 2017. The subordination agreement provides that in relation to claims as to proceeds from enforcement of joint collateral, the Parent's claims are subordinated to the Issuer's claims, for as long the Issuer has any outstanding claims which are secured by joint collateral. In addition, the subordination agreement provides that in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, all the Parent's claims against the Issuer, other than claims of the Parent in its capacity as holder of covered bonds or as counterparty under covered swaps (as defined in the Covered Bonds Act), are subordinated to all claims of unsubordinated creditors of the Issuer, but rank ahead of any other claims of subordinated creditors of the Issuer.

Outsourcing Agreement

For achieving efficiency within the Group and for the Issuer, the Issuer and Parent have agreed that the Parent as service provider shall provide most of the services needed for the Issuer to be able to carry out its business operations. The services include, amongst others, IT-services, administration of mortgage loans, accounting, regulatory reporting, liquidity management, funding (issuance of covered bonds), risk management, compliance, legal and internal audit. An outsourcing agreement was entered into on 25 July 2017 between the Issuer and the Parent.

The outsourcing agreement also provides that the Parent shall ensure that the Issuer Cover Pool is administrated in accordance with the provisions of the Covered Bonds Act and SFSA regulations (as defined in "*Overview of Swedish Legislation Relating to Covered Bonds*").

Derivative arrangements

The Issuer and the Parent have entered into interest rate swap transactions governed by an ISDA Master Agreement (including a schedule and confirmation(s)), and the Issuer may enter into additional interest rate and currency swap transactions with the Parent or other third party counterparties (in such capacity, each, a "**Cover Pool Swap Provider**"), in respect of the assets registered in the Issuer Cover Pool (each a "**Cover Pool Swap**"). The Cover Pool Swaps enable the Issuer to convert SEK fixed interest payments received by the Issuer on assets registered to the Issuer Cover Pool into floating payments linked to 3-month STIBOR, and to convert SEK fixed interest payments (or cash flows denominated in foreign currencies) paid by the Issuer on bond issues or other liabilities registered to the Issuer Cover Pool into floating payments linked to 3-month STIBOR.

Principal shareholder

The Issuer is a wholly-owned subsidiary of the Parent, and the Issuer is not aware of any events or other circumstances that could result in a change of control over the Issuer.

Dependency on the Parent

As follows from the section "*Business strategy and funding structure*" above, the Parent will be the seller of mortgage loans and will provide credit to the Issuer. The Parent will also manage the main part of the Issuer's operations through outsourcing. The Issuer will thus be dependent on the Parent to be able to conduct its business.

Board of Directors

The board of directors of the Issuer consists of five members elected at the general meeting on 27 June 2017 of the shareholders.

Name	Position	Board member since
Jacob Aarup-Andersen	Chairman	2016
Christoffer Møllenbach	Member	2016
Stojko Gjurovski	Member	2016
Carsten Nøddebo Rasmussen	Member	2017
Erik Åsbrink	Member	2017

Jacob Aarup-Andersen

Other on-going principal assignments: Member of the Executive Board of the Parent, Chief Financial Officer of the Parent, member of the Board of Realkredit Danmark A/S, Chairman of the Board of Danske Mortgage Bank plc, vice Chairman of the Board of Danica Pension Livforsikringsaktieselskab, vice Chairman of Forsikringsselskabet Danica Skadeforsikringsaktieselskab af 1999 and Chairman of the Board of Kreditforeningen Danmarks Pensionsafviklingskasse.

Christoffer Møllenbach

Other on-going principal assignments: Head of Group Treasury at the Parent, member of the All-Risk Committee of the Parent, member of the board of Danica Pension & Forsikringsselskabet Danica, member of the Board of Danske Mortgage Bank plc, chairman of the board of Danske Corporation and member of the Board of VP Securities.

Stojko Gjurovski

Other on-going principal assignments: Head of Personal Banking at the Swedish Branch and member of the Board of Getswish AB.

Carsten Nøddebo Rasmussen

Other on-going principal assignments: Chairman of the Executive Board and Chief Executive Officer of Realkredit Danmark A/S, Chairman of the Board of home a/s, Chairman of the Board of Realkreditrådet, Chairman of the Board of FOF København and member of the Board of Kreditforeningen Danmarks Pensionsafviklingskasse.

Erik Åsbrink

Other on-going principal assignments: Chairman of the board of directors of Alecta pensionsförsäkring, ömsesidigt, chairman of the board of directors of Svensk Hypotekspension AB, member of the board of directors of Cancercentrum Karolinska and chairman of the board of Handelsn Ekonomiska Råd (Economic Council for Retail and Wholesale).

Senior Management

The senior management of the Issuer consists of Per Tunestam, Managing Director since 2016, Tomas Renger, Treasurer since 2017, Peter Jönsson, CFO since 2017, Joakim Olsson, Head of Credit since 2017, and Sophia Grönkvist, COO since 2017.

Auditors

Deloitte AB (SE-113 57 Stockholm) has been the Issuer's auditor since 22 February 2016 and Patrick Honeth is auditor in charge since 22 February 2016. Patrick Honeth is an authorised public accountant and a member of FAR, the professional institute for accountants in Sweden.

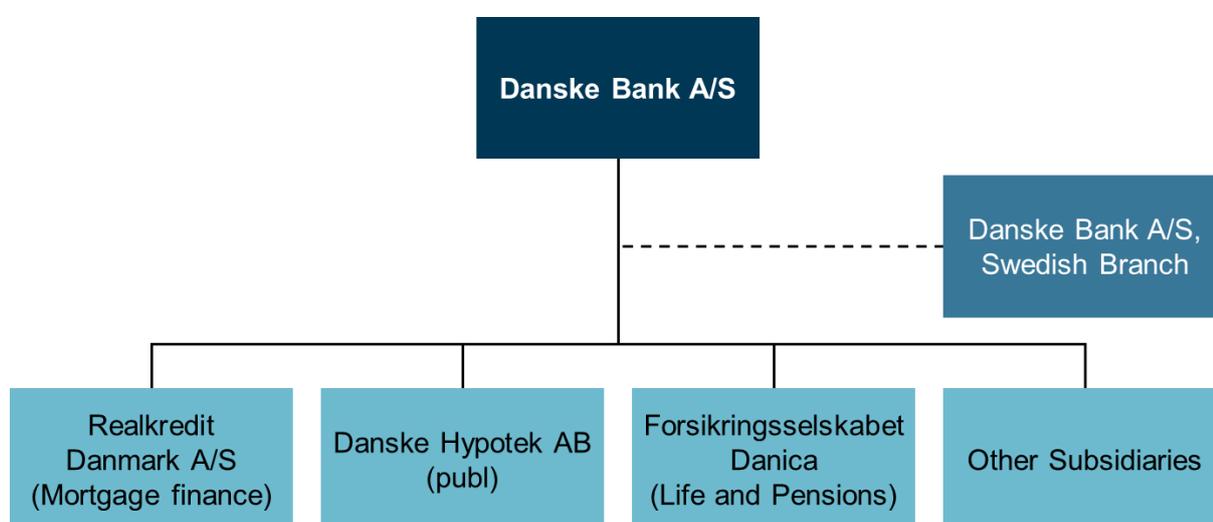
Conflicts of interest

As far as the board of directors is aware, no member of the board of directors or any member of the senior management have any personal interests that could conflict with the interests of the Issuer. However, the individuals in the board of directors (except for Erik Åsbrink) hold senior positions in other Group companies, and the risk of conflicts of interest among the Group companies can thus not be excluded. However, such risk should be modest, since the Issuer's main purpose is to acquire Swedish mortgage loans from the Parent and fund them through the issuance of covered bonds, thus providing the Group with funding of its Swedish mortgage assets.

DESCRIPTION OF THE GROUP

The Issuer forms part of the Group. The parent company of the Group is the Parent. The Parent was founded in Denmark and registered on 5 October 1871 and has, through the years, merged with a number of financial institutions. The Parent is a commercial bank with limited liability and carries on business under the Danish Financial Business Act (Consolidated Act No. 1140 of 26 September 2017, as amended (*Lov om finansiel virksomhed*)). The Parent is registered with the Danish Business Authority and is under the supervision of the DFSA. The registered office of the Parent is at 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark, with telephone number +45 33 44 00 00 and Danish corporate registration number 61126228.

The Parent is conducting its lending operations in Sweden through the Swedish Branch. The structure of the Group is set out in the structure chart below.



The Group is the leading financial service provider in Denmark (source: the DFSA) measured by total working capital (defined as deposits, issued bonds, subordinated debt and shareholders' equity) as at 30 September 2017. The Group also has significant operations in its other main markets, Sweden, Norway and Finland, and it is one of the largest financial service providers in the Nordic region measured by total assets as at 31 December 2017. The Group offers customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset management and trading in fixed income products, foreign exchange and equities. As at 31 December 2017, the Group's total assets amounted to DKK 3,540 billion (EUR 475.4 billion)¹ and the Group employed 19,768 full-time equivalent employees. As at the same date, the Group had approximately 3.4 million customers and approximately 2.2 million customers used the Group's online services. The Group had 250 branches as at 31 December 2017. The Group has five business units, a Non-core unit and Other Activities. The five business units consist of (i) Personal Banking; (ii) Business Banking, (iii) Corporates & Institutions, (iv) Wealth Management, and (v) Northern Ireland. The Wealth Management unit includes Danica Pension, Danske Capital and parts of the private banking operations.

¹ Unless specified, DKK amounts are converted into EUR at FX rate = 7.4451 DKK per EUR.

TAXATION

The following is not a comprehensive analysis of the tax consequences arising in respect of the Covered Bonds. Prospective purchasers of Covered Bonds are advised to consult their tax advisers as to the tax consequences under the tax laws of the country of which they are residents of a purchase of Covered Bonds, including, but not limited to, the consequences of receipts of interest and sale or redemption of Covered Bonds.

1. Swedish Taxation

*The following summary outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Covered Bonds. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary is not exhaustive and thus does not address all potential aspects of Swedish taxation that may be relevant for a potential investor in Covered Bonds and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies. Specific tax consequences may also apply when Covered Bonds are held by partnerships and as trading assets in a business. Such tax consequences are not described below. Neither does the summary cover Covered Bonds which are placed on an investment savings account (Sw. *Investeringsparkonto*). Investors should consult their professional tax advisors regarding the Swedish and foreign tax consequences (including the applicability and effect of tax treaties) of acquiring, owning and disposing of Covered Bonds in their particular situation.*

Non-resident holders of Covered Bonds

As used herein, a non-resident holder means a holder of Covered Bonds who is (a) an individual who is not a resident of Sweden for tax purposes, or (b) an entity not organised under the laws of Sweden.

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Covered Bonds should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the Covered Bonds are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a non-resident holder of any Covered Bonds.

Individuals who are not resident in Sweden for tax purposes may be liable to 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 lived 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. Taxation may, however, be limited by an applicable tax treaty.

Resident holders of Covered Bonds

As used herein, a resident holder means a holder of Covered Bonds who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden.

Generally, for Swedish corporations and individuals (and estates of deceased individuals) that are resident holders of any Covered Bonds, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Covered Bonds) will be taxable. A capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction for sales expenses, and the acquisition cost for tax purposes. The acquisition cost for all Covered Bonds of the same kind is determined according to the “average method” (Sw. *genomsnittsmetoden*).

An individual’s capital income such as capital gains and interest is subject to a 30 per cent. tax rate. Limited liability companies and other legal entities are taxed on all income, including capital gains and interest, as business income at the tax rate of 22 per cent.

Losses on listed Covered Bonds (Sw. *marknadsnoterade fordringsrätter*) should generally be fully deductible for limited liability companies and for individuals in the capital income category. Certain deduction limitations may

apply for individuals and limited liability companies with respect to losses on financial instruments deemed share equivalents (*Sw. deläggarrätter*) for Swedish tax purposes, not described further herein.

Swedish tax law does not impose withholding tax on payments of principal or interest to a resident holder of Covered Bonds. However, if amounts that are considered to be interest for Swedish tax purposes are paid to a private individual (or an estate of a deceased person) that is a resident holder of Covered Bonds, Swedish preliminary tax (*Sw. preliminärskatt*) is normally withheld on such payments at a rate of 30 per cent.

2. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “**FATCA**”, a “**foreign financial institution**” (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions, including Sweden, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as the Covered Bonds, including whether withholdings would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA, or an IGA with respect to payments on instruments such as the Covered Bonds, such withholding would not apply prior to 1 January 2019 and the Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Covered Bonds (as described under “Terms and Conditions of the Covered Bonds – Further Issues”) that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Covered Bonds.

3. The Proposed Financial Transaction Tax (“FTT”)

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

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Covered Bonds (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 Covered Bonds 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 Member States may

decide to participate. Prospective holders of Covered Bonds are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Covered Bonds may be sold from time to time by the Issuer to Danske Bank A/S (the “**Dealer**”). Covered Bonds may also be sold by the Issuer directly to institutions who are not a Dealer. The arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, the Dealer set out in dealership agreement dated 28 March 2018 (the “**Dealership Agreement**” which expression shall include any amendments or supplements thereto or any amendment and restatement thereof) and made between the Issuer and the Dealer. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be purchased by the Dealer and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of the appointment of the existing Dealer and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds.

United States

Regulation S Category 2; TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms or Pricing Supplement.

The Covered Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

The 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 Covered Bonds of any Series (i) as part of the distribution thereof at any time or (ii) until forty days after the later of the commencement of the offering and the completion of the distribution, as determined by the Paying Agents, of all Covered Bonds of the Tranche of which such Covered Bonds are a part as determined and certified to the Fiscal Agent or the Issuer (the “**Distribution Compliance Period**”) within the United States or to, or for the account or benefit of, U.S. persons. The Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to each dealer to which it sells the Covered Bonds during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Covered Bonds, an offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Any resale or other transfer, or attempted resale or other transfer of Covered Bonds made other than in compliance with the restrictions set out above and below shall not be recognised by the Issuer or any of its agents. The certificates for the Covered Bonds sold in the United States shall bear a legend to this effect.

Bearer Covered Bonds having a maturity of more than one year 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 U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

European Economic Area

Unless the Final Terms or Pricing Supplement in respect of any Covered Bonds specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering

contemplated by the Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

If the Final Terms or Pricing Supplement in respect of any Covered Bonds specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable” in relation to each Member State which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Covered Bonds referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision the expression an “**offer of Covered Bonds to the public**” in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

United Kingdom

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) (the

“FSMA”) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

Sweden

The Dealer has confirmed and agreed, and each further Dealer appointed under the Programme will be required to confirm and agree, that it will not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or purchase or sell Covered Bonds or distribute any draft or definitive document in relation to any such offer, invitation or sale, except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (Sw. *Lag (1991:980) om handel med finansiella instrument*).

Denmark

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any Covered Bonds directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Consolidated Act No. 12 of 8 January 2018 on Trading in Securities, as amended, and any Executive Orders issued thereunder and in compliance with Executive Order No. 330 of 7 April 2016, as amended, supplemented or replaced from time to time, to the Danish Financial Business Act.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and the Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

The 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 Covered Bonds 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 Covered Bonds 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, the Fiscal Agent, the Arranger nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Fiscal Agent, the Arranger and any of the Dealers represents that Covered Bonds 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.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Covered Bonds have been duly authorised by a resolution of the meeting of the Board of Directors of the Issuer dated 27 September 2017.

Listing and Admission to Trading of Covered Bonds on the Irish Stock Exchange

Application has been made to the Irish Stock Exchange for Covered Bonds issued under the Programme (other than Exempt Covered Bonds) during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List and trading on its regulated market.

However, Covered Bonds may be issued pursuant to the Programme which will not be admitted to listing on the Official List and admitted to trading and/or quotation by the regulated market of the Irish Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

Documents Available

For as long as the Programme remains valid with the Central Bank, hard copies of the following documents will be available, upon request, free of charge, from the registered office of the Issuer and from the Specified Office of the Paying Agent for the time being in London (where applicable, with an English translation thereof):

- (i) the Articles of Association of the Issuer; and
- (ii) the Dealership Agreement, the Agency Agreement (including the forms of the Temporary Global Covered Bonds, the Permanent Global Covered Bonds, the definitive Bearer Covered Bonds, the Coupons and the Talons) and the Deed of Covenant.

For as long as the Programme remains valid with the Central Bank, copies of the following documents will be available on the website of the Irish Stock Exchange at www.ise.ie:

- (i) a copy of this Base Prospectus and any Final Terms relating to Covered Bonds which are admitted to trading on the Irish Stock Exchange's regulated market; and
- (ii) any supplements to this Base Prospectus, any future base prospectuses relating to the Programme and any supplements to any future base prospectuses relating to the Programme.

For as long as the Programme remains valid with the Central Bank, copies of the following documents will be available on the website of the Issuer at www.danskehypotek.se (see "Documents Incorporated by Reference" for more details):

- (i) the Annual Reports (as defined in "Documents Incorporated by Reference"); and
- (ii) any other documents incorporated herein by reference from time to time.

Third Party Information

Where information in this Base Prospectus has been secured from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Clearing Systems

The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Covered Bonds allocated by Euroclear and

Clearstream, Luxembourg will be specified in the relevant Final Terms or Pricing Supplement. If the Covered Bonds are to clear through an additional or alternative clearing system (including VP), the appropriate information will be specified in the relevant Final Terms or Pricing Supplement. Euroclear, Clearstream, Luxembourg and VP (as the case may be) are the entities in charge of keeping the records.

The address of Euroclear is 3 Boulevard du Roi Albert III, B.1210 Brussels, Belgium; the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg and the address of VP is Helgeshøj Allé 61, DK-2630 Taastrup, Denmark.

Yield

In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield in respect of such Covered Bonds will be specified in the relevant Final Terms or Pricing Supplement. The yield is calculated at the Issue Date of the Covered Bonds on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.

Conditions for Determining Price

The issue price and amount of the Covered Bonds of any Tranche to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of the issue of such Tranche in accordance with prevailing market conditions.

Material Change and Significant Change

- (i) There has been no significant change in the financial position of the Issuer since 31 December 2017, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared; and
- (ii) there has been no material adverse change in the prospects of the Issuer since 31 December 2017, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared.

Litigation

There are no governmental, legal or arbitration proceedings against or affecting the Issuer (and no such proceedings are pending or threatened of which the Issuer is aware) during a period covering at least the previous twelve months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Issuer.

Auditors

The Issuer's current auditors are Deloitte AB of Rehnsgatan 11, SE-113 57, Stockholm, Sweden ("Deloitte"). Deloitte is a member of "FAR" (the professional institute for accountants in Sweden).

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. 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 or Issuer's 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 Covered Bonds issued

under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds 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.

Language

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Irish Listing Agent

The Irish Listing Agent is Matheson and the address of its registered office is 70 Sir John Rogerson's Quay, Dublin 2, Ireland. Matheson is acting solely in its capacity as listing agent for the Issuer in connection with the Covered Bonds and is not itself seeking admission of the Covered Bonds to trading on the regulated market of the Irish Stock Exchange.

URLs

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

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