



Nordax Bank

NORDAX BANK AB (PUBL)

prospectus regarding listing of

**SEK 250,000,000 FLOATING RATE SUBORDINATED
CALLABLE NOTES**

ISIN: SE0006758249

LEGAL#12107976V6

Lead Arranger and Joint Bookrunner



Joint Bookrunner



Important information

This prospectus (the “**Prospectus**”) has been prepared by Nordax Bank AB (publ) (Reg. No. 556647-7286) (the “**Issuer**”) (and any reference to the “**Group**” shall be a reference to the Issuer and its subsidiaries) in connection with the Issuer’s application to list subordinated notes of the aggregate nominal amount of SEK 250,000,000 (the “**Notes**”) on the corporate bond list of NASDAQ Stockholm. The Notes were issued on 18 March 2015. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell the Notes.

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**Swedish FSA**”) pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) (the “**Trading Act**”). Approval and registration by the Swedish FSA do not imply that the Swedish FSA guarantees that the information provided in the Prospectus is correct and complete.

Each potential investor in the Notes must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should conduct their own investigation and analysis of the Issuer and the data set forth in this Prospectus and investors are urged to take steps to ensure that they understand the transaction and have made an independent assessment of the appropriateness of the transaction in light of their own objectives and circumstances before entering into any transaction (including the possible risks and benefits of entering into such transaction). Investors should also consider seeking advice from their own advisers in making this assessment.

Words and expressions defined in the draft terms and conditions of the Notes beginning on page 16 (the “**Terms and Conditions**”) have the same meanings when used in this Prospectus, unless expressly stated or the context requires otherwise.

This Prospectus contains certain tables and other statistical analyses (the “**Statistical Information**”). Numerous assumptions were used in preparing the Statistical Information, which may or may not be reflected herein. No assurance can be given as to the accuracy, appropriateness or completeness of the Statistical Information as used in any particular context; nor as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance.

The distribution of this Prospectus and the private placement of the Notes in certain jurisdictions may be restricted by law. This Prospectus may not be distributed to countries where such distribution requires additional measures, such as the preparation of a prospectus, or is contrary to the rules and regulations in such country. No actions have been, or will be taken, in any jurisdiction by the Issuer, nor any of its Representatives, that would permit an offering of the Notes, or the possession or distribution of any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where specific action(s) for such purpose is required. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer to sell, or a solicitation of an offer to buy or apply for, any securities in any jurisdiction in any circumstance in which such offer or solicitation is not lawful or authorised. In particular, this Prospectus may not be distributed in, or to any person resident in, Canada, Australia, Japan or the United States (or to any U.S. person) or any other jurisdiction where it is unlawful to do so. Failure to comply with these restrictions may constitute a violation of applicable securities legislation. Persons into whose possession this Prospectus may come are required by the Issuer to inform themselves about, and to observe, such restrictions. The Issuer shall not be responsible or liable for any violation of such restrictions by potential investors.

This Prospectus does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state of the United States. The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of any U.S. person, except in certain transactions in reliance on Regulation S under the Securities Act. The Notes are being offered and sold only outside the United States to persons other than U.S. Persons (“non-U.S. purchasers”, which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust)) in reliance upon Regulation S. As used herein, the terms “United States” and “U.S. person” have the meanings as given to them in Rule 902 of Regulation S.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer’s or the Group’s business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Trading Act.

All statements other than statements of historical fact included in this Prospectus including, without limitation, those regarding the Issuer’s or the Group’s financial position, budgets, business strategy, management plans and objectives for future operations are forward-looking statements (when used in this document, the words “anticipate”, “believe”, “estimate” and “expect” and similar expressions, as they relate to the Issuer, the Group or its management, are intended to identify forward-looking statements). Such forward-looking statements reflect the current views of the Issuer, the Group or its management with respect to future events and are subject to certain risks, uncertainties and assumptions. No assurance is given as to the correctness of such forward-looking statements. Many factors could cause the actual results, performances and achievements of the Issuer or the Group to be materially different from any future results, performances or achievements that may be expressed or implied by such forward-looking statements, including among others, risks or uncertainties associated with the Issuer’s or the Group’s services, technological development, growth management, relations with customers and, more generally, economic and business conditions, budgets, changes in domestic and foreign laws and regulations (including those of the European Union), taxes, changes in competition and pricing environments, and other factors referenced in this document. Some of these factors are discussed in more detail in the section “Risk factors”. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results, performances, achievements or industry results may vary materially from those described or implied in this document as anticipated, believed, estimated or expected. Further, the forward-looking statements speak only as of the date of this Prospectus and the Issuer expressly disclaims, except as required by applicable law, any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this Prospectus as a result of any changes.

This Prospectus is subject to Swedish law, unless otherwise explicitly stated. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the Swedish courts with the District Court of Stockholm (*Stockholms tingsrätt*) being the court of first instance.

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RISK FACTORS

All investments in notes involve a degree of risk. The financial performance of the Issuer and the risks associated with the Issuer's business are important when making a decision on whether to invest in the Notes. A number of factors influence and could influence the Issuer's operations and financial performance and ultimately the Issuer's ability to make payments under the Notes. In this section a number of risk factors are illustrated and discussed, both risks pertaining to the Issuer's operations and risks related to the Notes as financial instruments. The risk factors below are not ranked in any specific order of importance and no claim is being made that the list is exhaustive.

Potential investors should carefully consider the risk factors below and all other information in this Prospectus (including information which has been incorporated in the Prospectus by reference) before deciding on making an investment in the Notes. Investors must, in addition, alone or together with financial and/or other advisers, consider the general business prospects, and general information about the relevant market and companies active on that market, based on their personal circumstances. An investor should possess sufficient knowledge to assess the risk factors and sufficient financial strength to bear those risks.

Additional risk factors that are not currently known or not currently considered to be material may affect the Issuer's future operations, performance and financial position, and consequently the Issuer's ability to meet its obligations under the Notes.

Risks related to the Issuer

Risk relating to the current macroeconomic environment

The Issuer's business is subject to inherent risks arising from general and sector-specific economic conditions. A deterioration in economic conditions globally and in the markets in which the Issuer operates, including, but not limited to business and consumer confidence, unemployment, household disposable income, the state of the housing market, foreign exchange markets, counter-party risk, inflation, the availability and cost of credit, the liquidity of global financial markets, or market interest rates may reduce the level of demand for the products and services of the Issuer. This may adversely affect the earnings the Issuer can achieve on its products and lead to reduced volumes of credit issued, reduced revenue and increased levels of impairment charges. The aforementioned factors may materially and adversely impact the Issuer's operating results, financial condition and prospects.

The exact nature of the risks faced by the Issuer in relation to the macroeconomic environment is difficult to predict and guard against in view of (i) the severity of the global financial crisis, (ii) difficulties in predicting whether the recovery will be sustained and at what rate, and (iii) the fact that many of the related risks to the business are totally, or in part, outside the control of the Issuer.

Regulatory risk

The Issuer's operations are subject to legislation, regulations, codes of conduct and government policies in the jurisdictions in which it conducts business and in relation to the products it markets and sells. Regulatory authorities have broad jurisdiction over many aspects of the Issuer's business, marketing and selling practices, advertising and terms of business. In the aftermath of the global financial crisis, many initiatives for regulatory changes have been taken and the impact of such initiatives is still difficult to predict in full. Thus, financial services laws, marketing laws (including restrictions on the marketing of consumer loans and co-operations with external parties, e.g. loan brokers), laws on enforcement and seizure (including changes to legislation on wage garnish or other measures to recover defaulted loans), regulations, codes of conduct, government policies and/or their respective interpretations currently affecting the Issuer may change and it cannot predict future initiatives or changes.

There is a risk that the Issuer's financial performance will be adversely affected should unforeseen events relating to regulatory risk arise in the future, which may materially and adversely affect, amongst other things, the Issuer's product range and activities, the sales and pricing of its products, the Issuer's profitability, solvency and capital requirements and may give rise to increased costs of compliance.

Regulatory capital requirements

Since the beginning of the global financial crisis in 2008 and the increased loan losses and asset quality impairment suffered by financial institutions as a result thereof, governments in some European countries (including Sweden) have increased, or have announced that they are likely to increase, the minimum capital

requirements for credit institutions domiciled in these countries over and above the increased capital requirements of Basel III and the CRD IV discussed below.

On 16 December 2010, the Basel Committee on Banking Supervision (the “**Basel Committee**”) published its final guidelines for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions and on 13 January 2011, it published the minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability (the “**Basel III Framework**”). The aim of the framework is to improve the ability of credit institutions to absorb shocks arising from financial and economic stress, improve risk management and governance and strengthen credit institutions’ transparency and disclosures. The framework raises both the quality and quantity of the capital base and increases capital requirements for certain positions. There will also be buffer requirements in the form of both a capital conservation buffer, a countercyclical capital buffer and additional capital buffers for systemic importance, which may be on a global, European or domestic basis. The regulatory framework will continue to evolve and any resulting changes could have a material impact on the Issuer’s business.

Following the Basel III Framework, the European Commission published on 20 July 2011 the corresponding proposed changes at the EU level in the form of (i) a directly applicable European Parliament and Council Regulation establishing the prudential requirements for credit institutions and investment firms (known as the Capital Requirements Regulation or “**CRR**”) and (ii) a European Council Directive (through an amendment of Directive 2002/87/EC) governing access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (known as “**CRD IV**”). The CRR has been directly effective in Sweden since 1 January 2014, while CRD IV was implemented in Sweden on 2 August 2014 by amendments to existing Swedish legislation, new Swedish legislation and regulations of the Swedish FSA. CRR and CRD IV are both to be supported by a set of binding technical standards currently being developed by the European Banking Authority (the “**EBA**”). The new EU regulatory framework is broadly in line with the Basel III Framework capital and liquidity standards, however certain issues continue to remain under discussion and certain details remain to be clarified.

CRR and CRD IV permit a transitional period for certain of the enhanced capital requirements and certain other measures. The Swedish authorities have, however, announced that they will implement the higher capital requirements resulting from the implementation of CRR and CRD IV as soon as possible, without any phasing-in period, to the extent that this is possible given the European legislation.

Furthermore, the conditions of the Issuer’s business as well as external conditions are constantly changing. For the foregoing reasons, the Issuer and/or its consolidated situation may be required to raise additional regulatory capital and such changes could result in the Issuer’s and/or its consolidated situation’s existing regulatory capital ceasing to count either at the same level as present or at all. Any failure by the Issuer and/or its consolidated situation to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on the Issuer’s profitability and results and may also have other effects on the Issuer’s financial performance and on the pricing of the Notes, both with or without the intervention by regulators or the imposition of sanctions. Any market perception or concern regarding compliance with future capital adequacy requirements, could increase the Issuer’s and the Group’s borrowing costs and limit its access to capital markets, which could have a material adverse effect on results of operations, financial condition and liquidity.

The Recovery and Resolution Directive

The EU Directive 2014/59/EU, known as the Bank Recovery and Resolution Directive (“**RRD**”), supplements the CRR and CRD IV legislative package. Each Member State had until 1 January 2015 to transpose the RRD into national law, other than the bail-in provisions (as contained in Section 5 of Chapter IV of Title IV) for which the implementation deadline is 1 January 2016. The purpose of the RRD is to harmonise national rules on bank recovery and resolution, providing authorities, including the Swedish FSA, with common tools and powers to address banking crises proactively in order to safeguard financial stability and minimise taxpayers’ exposure to losses.

The RRD establishes a framework for the recovery and resolution of credit institutions and, *inter alia*, requires EU credit institutions to produce and maintain recovery plans setting out the arrangements that may be taken to restore the long-term viability of the institution in the event of a material deterioration of its financial position. National resolution authorities (expected to be the National Debt Office (*Riksgälden*) for Sweden), in consultation with competent authorities, will be required to prepare resolution plans setting out how a firm might be resolved in an orderly fashion and its essential functions preserved, if it were to fail. This includes the

potential application of the resolution tools and powers referred to below as well as options for ensuring the continuity of critical functions.

The RRD contains a number of resolution tools and powers intended to ensure that resolution authorities across the EU have a harmonised toolkit to manage firms' failure provided that the resolution conditions are satisfied. These tools and powers may be used alone or in combination and include the following: (i) a sale of business tool - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) a bridge institution tool - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) an asset separation tool - which enables resolution authorities to transfer impaired or problem assets to one or more publically owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down; and (iv) a general bail-in tool - which gives resolution authorities the power to write-down all or a portion of the principal amount of, or interest on, certain other eligible liabilities (which could include the Notes), whether subordinated or unsubordinated, of a financial institution in resolution and/or to convert certain unsecured debt claims (which could also include the Notes) into another security, including common equity tier 1 instruments of the surviving entity, which equity could also be subject to any further application of the general bail-in tool. Article 48 of the RRD establishes the sequence in which resolution authorities should apply the general bail-in tool: in general, shareholders' claims should be exhausted before those of subordinated creditors (such as the Noteholders) and only when those claims are exhausted can resolution authorities impose losses on senior claims.

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

A resolution authority will only be permitted to use resolution powers and tools in relation to a firm if it determines that all the conditions for resolution are satisfied. These conditions are (a) the determination that the institution is failing or likely to fail (the "failure condition"); (b) there is no reasonable prospect that any solution, other than a resolution action taken in respect of the firm, would prevent the failure of the firm within a reasonable timeframe (the "no alternative condition"), and (c) intervention through resolution action is necessary in the public interest (the "public interest condition").

In addition to the general bail-in tool, the RRD provides for relevant authorities to have the further power, before any other resolution action is taken, to permanently write-down or convert into equity relevant capital instruments such as the Notes at the point of non-viability (see the risk factor "*Loss absorption at the point of non-viability of the Issuer*" below for further information).

The powers set out in the RRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the RRD is implemented, holders of debt instruments (such as the Notes) may be subject to write-down or conversion into equity on any application of the general bail-in tool and non-viability loss absorption, which may result in such holders losing some or all of their investment. The general bail-in tool can be used to recapitalise an institution that is failing or about to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring. The write-down and conversion power can be used either together with, or also, independently of, a resolution action. Other powers provided to resolution authorities under the RRD in respect of debt instruments (which could include the Notes) include replacing or substituting the bank as obligor in respect of such debt instruments; modifying the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or discontinuing the admission to trading of debt instruments. The exercise of any power under the RRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of the Noteholders, the price or value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Going forward, the RRD is also likely to have an impact on how large a capital buffer a credit institution will need, in addition to those set out in CRR and CRD IV. To ensure that banks always have sufficient loss-absorbing capacity, the RRD requires firms to maintain at all times a sufficient aggregate amount of own funds (as defined in Article 4(1)(18) of the CRR) and "eligible liabilities" (namely, liabilities that may be bailed-in using the bail-in tool). This is known as the minimum requirement for eligible liabilities or MREL. The minimum requirement is calculated as the amount of own funds and eligible liabilities expressed as a percentage of the total liabilities and own funds of the institution. Resolution authorities, after consultation with the relevant

competent authorities, are responsible for determining the minimum requirement for each firm on the basis of, amongst other criteria, its size, risk and business model.

There remains uncertainty regarding how these powers as described in the RRD would affect the Issuer or the consolidated situation as a whole and how the RRD will be implemented in Sweden. Accordingly, it is not yet possible to assess the full impact of the RRD on the Issuer or the consolidated situation. It is possible that pursuant to the RRD or other resolution or recovery rules which in the future apply to the Issuer, new powers may be given to the relevant authorities which could be used in such a way as to result in any debt instruments of the Issuer, including the Notes, absorbing losses.

Loss absorption at the point of non-viability of the Issuer

The Noteholders are subject to the risk that the Notes may be required to absorb losses. As noted above, the powers provided to competent and resolution authorities in the RRD include write-down/conversion powers to ensure that relevant capital instruments (including the Notes) fully absorb losses at the point of non-viability of the issuing institution in order to allow it to continue as a going concern subject to appropriate restructuring. As a result, the RRD contemplates that competent authorities may require the permanent write-down in full of such capital instruments or the conversion of them into common equity tier 1 instruments at the point of non-viability (which common equity tier 1 instruments may also be subject to any application of the general bail-in tool described above) and before any other bail-in or resolution tool can be used. Measures ultimately adopted in this area may apply to any debt currently in issue, including the Notes.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the RRD is the point at which one or more of the following circumstances apply: (a) the determination has been made by the relevant authority that the conditions for resolution (i.e. the “failure condition”, the “no alternative condition” and the “public interest condition” described above under “The Recovery and Resolution Directive”) have been met, before any resolution action is taken; (b) the relevant authority determines that unless the write-down/conversion power is exercised in relation to the relevant capital instruments, the institution “will no longer be viable” (as described in Article 59(4) of the RRD) or (c) extraordinary public financial support is required by the institution.

The application of any non-viability loss absorption measure may result in the Noteholders losing some or all of their investment. Any such write-off of all or part of an investor’s principal (including accrued but unpaid interest) will not constitute any event of default under the Notes, and the Noteholders will have no further claims in respect of any amount so written off. The exercise of any such power may be inherently unpredictable and may depend on a number of factors which may be outside the Issuer’s control. Any such exercise, or any suggestion that the Notes could become subject to such exercise, could, therefore, materially adversely affect the value of the Notes.

Credit risks and risk relating to counterparties

Investors investing in the Notes take a credit risk on the Issuer. Credit risk is the potential risk of financial loss arising from the failure of a counterparty to fulfil its financial obligations as they fall due (and such loss is not covered by any collateral). The Issuer’s main credit and counterparty risk is that the customers cannot service their debt. A certain amount of delinquencies and impairments is anticipated. Credit risk also includes concentration risk, i.e. the risk relating to large exposures to a group of inter-linked customers. In addition, the Issuer is exposed to risks associated with the uncontrolled deterioration in the credit quality of its customers which may be driven by, for example, socio-economic or customer-specific factors linked to economic performance. Declining credit quality and increased impairment levels impact profitability and could ultimately have a material adverse effect on the Issuer’s business, results of operations and financial condition.

Although the Issuer has undertaken extensive research to predict future potential impairments and credit losses on which the Issuer’s lending model is based, there is no guarantee that these estimates will prove accurate. An increase in the level of credit losses will have an adverse impact on the Issuer’s business, financial condition and results of operations.

The Issuer is also exposed to counterparty risk related to the risk that the Issuer will suffer loss in the event of default by a bank counterparty or an issuer of securities held by the Issuer. The risk arises as a result of occasional cash deposits placed with clearing banks or invested in securities and the use of derivative financial instruments with banks. A default occurs when a bank or other financial institutions or issuer of securities fails to honour payments as they fall due and such default may have an adverse impact on the Issuer’s business, financial condition and results of operations. The Issuer is further exposed to the risk that the Insurance Company defaults.

Key employees

The Issuer is dependent on its ability to attract, motivate and retain high quality and highly skilled management. The Issuer is dependent on existing key executives and senior management in order to sustain, develop and grow its business and there is a risk that these employees will not remain with the Issuer. The loss of key personnel or of a substantial number of talented employees or an inability to attract, retain and motivate the calibre of employees required for the continuation of, and the expansion of, the Issuer's activities, could cause disruption and adversely affect its business, results of operations and financial condition.

Competition and the demand for the Issuer's products

In recent years the Nordic consumer lending market (on which the Issuer is active) has seen strong growth in demand for unsecured consumer loans and potential increased competition and lower margins are future challenges for the Issuer and other Nordic consumer lending institutions. The demand for the Issuer's products is also dependent on the customers' forecasts for the future, market rates and other factors that have an influence on the customers' financial situation. Also, changes to the possibilities to co-operate with external parties, e.g. loan brokers, on sourcing of new customers could adversely affect the Issuer's sales, as well as a major loan broker's potential termination of its co-operation agreement with the Issuer. There is a risk that such circumstances result in a decreased demand that may have a negative impact on the Issuer's business, results of operations and financial condition.

Ownership

As mentioned in the section "Description of the Issuer – Legal structure of the Group", the Issuer is ultimately owned by funds ("**Vision Capital Funds**") managed by Vision Capital Management Limited (such funds owning approximately 75 per cent of the interests in the Issuer) and by the members of the board of directors and the management team (jointly owning approximately 25 per cent). There is no assurance that the Vision Capital Funds will keep their stake in the Issuer during a certain time period and there is no provision in the Terms and Conditions preventing the Vision Capital Funds from divesting all or part of its shares in the Issuer. It shall be noted that Vision has mandated Lazard and Morgan Stanley as financial advisers to evaluate strategic options in respect of its indirect shareholding in the Issuer. All options will be considered, including an initial public offering, but there can be no certainty that any particular transaction will take place. A new controlling shareholder (which must always be approved by the Swedish FSA prior to its acquisition) could have a different business strategy compared to the current shareholders, which, if not successful, could result in a negative impact on the Issuer's business, results of operations and financial condition.

It should be noted that the shareholders have the power to control certain matters at shareholders' meetings, including the power to appoint the board of directors of the Issuer. The shareholders may have an interest in pursuing acquisitions, divestments, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the Noteholders.

Operational risk

The Issuer's business depends on its ability to process a large number of transactions efficiently and accurately. The Issuer's ability to develop business intelligence systems, to monitor and manage collections, to maintain financial and operating controls, to monitor and manage its risk exposures across the Issuer, to keep accurate records, to provide high-quality customer service and to develop and sell profitable products and services in the future depends on the success of its business continuity planning, the uninterrupted and efficient operation of its information and communications systems, including its information technology, and the successful development and implementation of new systems. However, in common with information technology systems generally, losses can result from inadequate or failed internal control processes and protection systems, human error, fraud or external events that interrupt normal business operations. This may result in a loss of data and a failure to provide quality service to customers. Although the Issuer has in place certain business continuity plans to guard against service disruptions, there is no guarantee that the Issuer's business continuity plans proves to be adequate at all times.

If any of the above risks materialise, the interruption or failure of the Issuer's information technology and other systems could impair the Issuer's ability to provide its services effectively causing direct financial loss and may compromise the Issuer's strategic initiatives. Technology failure or underperformance could also increase the Issuer's litigation and regulatory exposure or require it to incur higher administrative costs (including remediation costs). Further, an irrecoverable loss of any customer database would be expensive and time-consuming to endeavour to retrieve or recreate and would have a material adverse effect on the Issuer's operations and financial situation.

Reputational risk

Reputational risk is the risk of a tarnished reputation among customers, owners, employees, authorities and other parties resulting in reduced income. Reputational risk is difficult to assess, but could be substantially damaging to the Issuer's operations based on a well-established brand, and if such risk is materialised it may materially adversely affect the business, results of operations and financial condition of the Issuer.

Strategic risk

Institutional changes and changes in basic market conditions may occur to the Issuer. The ability of the board of directors and CEO to plan, organise, follow up on and control the operations and to continuously monitor market conditions is important. Failure to do so may result in a material adverse effect on the Issuer's financial position.

The Issuer and its owners from time to time review the corporate strategy of the Issuer, including potential acquisitions of loans or other receivables portfolios and potential divestments of non-core businesses from other financial institutions, changes in the Issuer's dividend policy and changes in the Issuer's ownership structure. The taking of any such action may affect the business, financial position, capital structure and/or ownership structure of the Issuer.

Exposure to currency risks

The Issuer operates in Sweden, Norway, Finland, Denmark and Germany and as a result generates revenues in SEK, NOK, EUR and DKK. However, the Issuer's reporting currency is SEK and the Issuer is as a consequence exposed to currency translation risk to the extent that its assets, liabilities, revenues and expenses are denominated in currencies other than SEK. Consequently, there is a risk that increases and decreases in the value of the SEK versus NOK, EUR and DKK will affect the amount of these items in the Issuer's consolidated financial statements, even if their value has not changed in the original currency.

Liquidity and financing risks

Liquidity risk is the risk of the Issuer, due to insufficient cash and cash equivalents, being unable to fulfil its commitments or only being able to fulfil its commitments by raising deposits or otherwise borrowing cash and cash equivalents at a significantly higher cost. Liquidity risk also refers to the risk that a large number of deposit customers decide to withdraw their money from their accounts with the Issuer within a short time period and the risk of financial instruments that cannot immediately be converted to cash and cash equivalents without decreasing in value. This could result in a material adverse effect on the Issuer's financial position.

Financing risk is the risk that the Issuer does not successfully refinance maturing borrowings or only succeeds in borrowing at substantially increased costs. The Issuer's lending is primarily made on longer terms than the Issuer's funding. Therefore, the Issuer is dependent on the ability to refinance borrowings upon their maturity, and a failure to do so could result in a material adverse effect on the Issuer's financial position.

Interest rate risk

There are interest rate risks in the Issuer's business, which arise when there is an imbalance in the interest rate structure between its assets and liabilities and corresponding off-balance-sheet items and which may have a material adverse effect on the Issuer's results of operation and financial condition.

Risks related to insurance mediation

As a tied insurance intermediary of PPI, the Issuer is not under the supervision of the Swedish FSA. The Insurer is liable to the customers for the actions taken by the Issuer in conjunction to the mediation of insurances. The Issuer is however contractually obliged to indemnify the Insurer should any claims be directed to the Insurer for misselling by the Issuer or deficient information given by the Issuer to the customer. In addition, the mediation of insurances poses both reputational and conduct risks, should the mediation not be conducted in compliance with the applicable legislation, regulations and the Issuer's internal rules. If any of these risks materialize this could result in a material adverse effect on the Issuer's result of operation and financial condition.

Changes in legislation

The Terms and Conditions are based on Swedish legislation applicable at the date hereof. There is a risk that any future change in legislation or administrative practice could adversely affect the ability of the Issuer to make payments under the Notes.

Disputes and legal proceedings

The Issuer is currently not party to any dispute or legal proceeding which could adversely affect the Group's earnings or financial position. However, it cannot be excluded that the Issuer will become involved in such disputes in the future. The Issuer can give no assurances as to the results of any future investigation, proceeding, litigation or arbitration brought by private parties, regulatory authorities or governments. In addition, if an unfavourable decision were to be given against the Issuer, significant fines, damages and/or negative publicity could adversely affect the Issuer's earnings and financial position.

Taxes

The Issuer has obtained advice from independent tax advisors on tax-related issues. However, it cannot be excluded that the Issuer's interpretation of applicable rules and administrative practice is not entirely correct, or that rules and practice may change, possibly with retroactive effect. The decisions of tax authorities could change the Group's previous or current tax situation, which could adversely affect the Issuer's earnings.

Risks relating to the Notes

The Issuer's obligations under the Notes are subordinated

The rights of the Noteholders will, in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer but shall rank at least *pari passu* with all other subordinated indebtedness of the Issuer.

Although the Notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a significant risk that an investor in the Notes will lose all or some of his investment should the Issuer become insolvent or enter into liquidation.

Structural subordination and dependence on upstream funding

The Issuer's business is to provide consumer loans. The consumer loans are, however, to a large extent held by the Issuer's subsidiaries (the "**Subsidiaries**") and the Issuer is reliant on the financial performance of the Subsidiaries and their ability to make dividend distributions and other payments, to enable it to meet its payment obligations (including making payments under the Notes). All Subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments or to make funds available for such payments. No present or future Subsidiary will guarantee or provide any security for the Issuer's obligations under the Notes.

Interest rate risk

The value of the Notes is dependent on several factors, one of the most significant over time being the level of market interest rates. Investments in the Notes involve a risk that the market value of the Notes could be adversely affected by changes in market interest rates.

Noteholders' meeting

The Terms and Conditions include certain provisions regarding a Noteholders' meeting (a "**Noteholder**" being a person who is registered on a securities account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note), which may be held in order to resolve on matters relating to the Noteholders' interests. Such provisions allow for designated majorities to bind all Noteholders, including Noteholders who have not participated in or voted at the actual meeting or who have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted Noteholders' meeting. Consequently, there is a risk that actions of a majority of Noteholders in accordance with the Terms and Conditions could impact a particular Noteholder's rights in a manner that is undesirable for such Noteholder.

The price of the Notes may be volatile

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's operating results, financial condition or prospects.

Credit risks

If the Issuer's financial position deteriorates it is likely that the credit risk associated with the Notes will increase as there would be an increased risk that the Issuer cannot fulfil its obligations under the Terms and Conditions. The Issuer's financial position is affected by numerous risk factors, some of which have been outlined above. An increased credit risk could result in the market pricing the Notes with a higher risk premium, which could adversely affect the value of the Notes. Another aspect of the credit risk is that a deteriorated financial position could result in a lower credit worthiness, which could affect the Issuer's ability to refinance the Notes and other existing debt, which in turn could adversely affect the Issuer's operations, result and financial position.

No active secondary market

Pursuant to the Terms and Conditions, the Issuer shall apply for admission to trading of the Notes on a Regulated Market but there can be no assurance that the Notes are approved for admission of trading. A failure to obtain such admission may have a negative impact on the market value of the Notes. Even if such admission will occur, there can be no assurance that an active market for the Notes will evolve, and even if such would evolve that it lasts. The nominal amount of the Notes may not be indicative of their market value after being admitted for trading on a Regulated Market. In addition, following admission to trading of the Notes, the liquidity and trading price of the Notes may vary substantially as a result of numerous factors, including general market movements and irrespective of the Issuer's performance. Therefore, Noteholders may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. Investors must be prepared to hold the Notes until maturity.

No limitation on issuing debt

There is no restriction on the amount of debt which the Issuer may incur or issue which ranks senior to the Notes or on the amount of securities which the Issuer may issue which ranks *pari passu* with the Notes. Such issuance may reduce the amount recoverable by the Noteholders upon the bankruptcy or any liquidation of the Issuer.

Clearing and settlement in the CSD's account-based system

The Notes are affiliated to and will continue to be affiliated to a central securities depository of notes, currently the CSD's account-based system, and no physical notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be performed within the CSD's account-based system. The investors are therefore dependent on the functionality of the CSD's account-based system.

The Issuer may redeem the Notes on the occurrence of a Capital Event or Tax Event

The Issuer may in certain circumstances, at its option, but in each case subject to obtaining the prior consent of the Swedish FSA, redeem the Notes upon the occurrence of a Capital Event or Tax Event at par together with accrued interest on any Interest Payment Date.

There is a risk that the Noteholders will not be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

Call options are subject to the prior consent of the Swedish FSA

The Issuer has the option to redeem the Notes five years after they have been issued on the First Call Date or on any Interest Payment Date falling after the First Call Date. If the Issuer considers it favourable to exercise such a call option, the Issuer must obtain the prior consent of the Swedish FSA.

The Noteholders have no rights to call for the redemption of the Notes and should not invest in the Notes with the expectation that such a call will be exercised by the Issuer. The Swedish FSA must agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There is a risk that the Swedish FSA will not permit such a call or that the Issuer will not exercise such a call. The Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes for a period of time in excess of the minimum period.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Swedish Kronor. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit other than Swedish Kronor (the "Noteholder's Currency"). Accordingly, a Noteholder is exposed to

exchange rate risk if relevant exchange rates fluctuate significantly (including, but not limited to, fluctuations due to a devaluation of the Swedish Kronor or a revaluation of the Noteholder's Currency) or authorities with jurisdiction over the Noteholder's Currency impose or modify relevant exchange controls (if any).

STATEMENT OF RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The board of directors of the Issuer is, to the extent provided by law, responsible for the information relating to the Issuer contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

OVERVIEW OF THE NOTES

This section (Overview of the Notes) is only intended to serve as an introduction to the Notes. Any decision to invest in the Notes shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The complete terms and conditions of the Notes are found on page 16 and onwards, below. Words and expressions defined in this overview shall have the same meanings as in the Terms and Conditions.

Issuer	Nordax Bank AB (publ), a public limited liability company incorporated in Sweden with Reg. No. 556647-7286.
Notes	Floating rate subordinated callable notes.
Status of the Notes	The Notes constitute subordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves. The rights of the Noteholders shall, in the event of the liquidation (<i>likvidation</i>) or bankruptcy (<i>konkurs</i>) of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer but shall rank at least <i>pari passu</i> with all other subordinated indebtedness of the Issuer.
ISIN code	SE0006758249.
Nominal Amount	SEK 1,000,000.
Minimum Investment	SEK 1,000,000.
Issue Price	100.00 per cent of the Nominal Amount.
Total Amount	SEK 250,000,000.
Issue Date	18 March 2015.
Use of Proceeds	The Issuer has used the proceeds from the issue of the Notes towards a dividend distribution to the Parent (to enable it to repay its Existing Subordinated Loan) and for general corporate purposes of the Group.
Interest and Interest Payment Dates	The Notes carry interest at a rate equivalent to three (3) months STIBOR plus a margin of 5.75 per cent per annum. Such interest will accrue during three (3) months interest periods, be calculated on an actual/360-days basis and will be paid at the end of each three-month interest period.
Maturity Date	The Interest Payment Date falling on or immediately after the tenth anniversary of the Issue Date.
Redemption at Maturity	Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes at their Nominal Amounts, together with accrued interest thereon, on the Maturity Date.
First Call Date	The Interest Payment Date falling on or immediately after the fifth anniversary of the Issue Date.
Optional Redemption by the Issuer on or after the First Call Date	Subject to approval from the Swedish FSA, the Issuer may, at its option, redeem all (but not some only) of the outstanding Notes on the First Call Date and on any Interest Payment Date falling after the First Call Date.
Optional Redemption by the Issuer upon the Occurrence of a Capital Event or a Tax Event	Subject to approval from the Swedish FSA, upon the occurrence of a Capital Event or a Tax Event, the Issuer may, at its option, at any time redeem all (but not some only) of the outstanding Notes.
Redemption Amount	All Notes will be redeemed in full at an amount equal to the Nominal

	Amount of each Note together with accrued but unpaid interest.
General Undertakings	None.
Cross Default	None.
Change of Control	None.
Acceleration	A Noteholder may only declare the Notes (or any accrued interest) due and payable if the Issuer is declared bankrupt (<i>konkurs</i>) or is the subject of liquidation proceedings (<i>likvidation</i>).
Form of the Notes	The Notes has been issued in dematerialised book-entry form in accordance with the Financial Instruments Accounts Act (<i>lagen (1998:1479) om kontoföring av finansiella instrument</i>). The Notes will be registered with the CSD.
CSD	The Issuer's central securities depository and registrar in respect of the Notes from time to time; initially Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden.
Listing	The Issuer shall use its best efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date, but in no case later than sixty (60) days after the Issue Date.
Agent	CorpNordic Sweden AB, Reg. No. 556625-5476.
Issuing Agent	Danske Bank A/S, Danmark, Sverige Filial, Reg. No. 516401-9811, Box 7523, 103 92 Stockholm.
Noteholder's Meeting	Each of (i) the Issuer, (ii) the Agent, and (iii) a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount, may at any time call for a meeting among the Noteholders, the Issuer and the Agent to decide upon any issue or matter in relation to the Notes.
Written Procedure	Consent, approval, instructions or agreement by the Noteholders can also be obtained by way of Written Procedure.
No Petition	A no-petition limitation applies for the Noteholders, except as expressly permitted under Clause 20 (<i>No direct actions by Noteholders</i>) of the terms and conditions of the Notes.
Prescription	The right to receive repayment of the principal of the Notes will be prescribed and become void ten (10) years after the Redemption Date. The right to receive payment of Interest (excluding capitalised interest) will be prescribed and become void three (3) years after the relevant due date for payment.
Governing Law	The Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with Swedish law.
Disputes	The District Court of Stockholm (<i>Stockholms tingsrätt</i>) shall be the court of first instance.

TERMS AND CONDITIONS OF THE NOTES

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Notes.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Agency Agreement**” means the agency agreement entered into on or before the Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

“**Applicable Banking Regulations**” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy applicable to the Issuer or the Group, as the case may be, including, without limitation to the generality of the foregoing, CRD IV and any other laws, regulations, requirements, guidelines and policies relating to capital adequacy as then applied in Sweden by the Swedish FSA (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group);

“**Agent**” means CorpNordic Sweden AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year’s Eve (*nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means 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.

“**Capital Event**” means, at any time on or after the Issue Date, a change in the regulatory classification of the Notes that would be likely to result in the exclusion of the Notes from the Tier 2 Capital of the Issuer or the reclassification of the Notes as a lower quality form of regulatory capital, provided that:

- (a) the Swedish SFA considers such a change to be sufficiently certain; and
- (b) the Issuer demonstrates to the satisfaction of the Swedish SFA that such change was not reasonably foreseeable at the Issue Date,

and provided that such exclusion or reclassification is not a result of any applicable limitation on the amount of such Tier 2 Capital contained in the Applicable Banking Regulations.

“**CRD IV**” means the legislative package consisting of the CRD IV Directive, the CRD IV Regulation and any CRD IV Implementing Measures.

“**CRD IV Directive**” means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time.

“**CRD IV Regulation**” means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time.

“**CRD IV Implementing Measures**” means any regulatory capital rules, regulations or other requirements implementing (or promulgated in the context of) the CRD IV Directive or the CRD IV Regulation which may from time to time be introduced, including, but not limited to, delegated or implementing acts or regulations (including technical standards) adopted by the European Commission, national laws and regulations, adopted by the Swedish FSA and guidelines issued by the Swedish FSA, the European Banking Authority or any other relevant authority, which are applicable to the Issuer or the Group, as applicable.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

“**Existing Subordinated Loan**” means the SEK 200,000,000 subordinated loan agreement entered into between the Parent as debtor and Proventus Capital AB as lender, dated 16 June 2010.

“**Final Maturity Date**” means the Interest Payment Date falling on or immediately after the tenth anniversary of the Issue Date.

“**Finance Documents**” means these Terms and Conditions, and any other document designated by the Issuer and the Agent as a Finance Document.

“**Financial Instruments Accounts Act**” means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

“**First Call Date**” means the Interest Payment Date falling on or immediately after the fifth anniversary of the Issue Date.

“**Force Majeure Event**” has the meaning set forth in Clause 23.1.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.3.

“**Interest Payment Date**” means 18 March, 18 June, 18 September and 18 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 18 June 2015 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means STIBOR plus a margin of 5.75 per cent *per annum*.

“**Issue Date**” means 18 March 2015.

“**Issuer**” means Nordax Bank AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556647-7286.

“**Issuing Agent**” means Danske Bank A/S, Danmark, Sverige Filial, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Nominal Amount**” has the meaning set forth in Clause 2.3.

“**Noteholder**” means the person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 14 (*Noteholders’ Meeting*).

“**Note**” means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which is governed by and issued under these Terms and Conditions.

“**Parent**” means Nordax Holding AB, a limited liability company incorporated under the laws of Sweden with Reg. No. 556647-6726.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, or (iii) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Notes*).

“**Regulated Market**” means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on NASDAQ OMX’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period,

provided that, if any such rate is below zero, STIBOR will be deemed to be zero.

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

“**Swedish FSA**” means the Swedish Financial Supervisory Authority (*Finansinspektionen*) or such other governmental authority in Sweden (or, if the Issuer becomes subject to primary bank supervision in a jurisdiction other than Sweden, in such other jurisdiction) having primary bank supervisory authority with respect to the Issuer.

“**Swedish Kronor**” and “**SEK**” means the lawful currency of Sweden.

“**Tax Event**” means the occurrence of any amendment to, clarification of or change in the laws, treaties or regulations of Sweden affecting taxation (including any change in the interpretation by any court or authority entitled to do so) or any governmental action, on or after the Issue Date and which was not foreseeable at the Issue Date, resulting in that:

- (a) the Issuer is, or becomes, subject to a significant amount of additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes; or
- (b) the treatment of any of the Issuer’s items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be accepted by any tax authority, which subjects the Issuer to a significant amount of additional taxes, duties or governmental charges.

“**Tier 2 Capital**” means tier 2 capital (*supplementärt kapital*) as defined in Chapter 4 of the CRD IV Regulation.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 15 (*Written Procedure*).

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

1.2.4 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. STATUS OF THE NOTES

2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.

- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Note is SEK 1,000,000 (the “**Nominal Amount**”). The aggregate nominal amount of the Notes is SEK 250,000,000.
- 2.4 Each Note is issued on a fully paid basis at an issue price of 100 per cent of the Nominal Amount.
- 2.5 The Notes constitute subordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Noteholders shall, in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer but shall rank at least *pari passu* with all other subordinated indebtedness of the Issuer. For the avoidance of doubt, the Noteholders will, in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*), rank in priority to any holders of any class of share capital of the Issuer.
- 2.6 Prior to the Final Maturity Date, a Noteholder or the Agent may only declare the Notes (and any accrued interest) due and payable if the Issuer is placed into bankruptcy (*försatt i konkurs*) or is the subject of liquidation proceedings (*trätt i likvidation*).
- 2.7 No Noteholder who in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes held by such Noteholder.
- 2.8 The Issuer reserves the right to issue further subordinated notes and other subordinated obligations in the future, which may rank *pari passu* with (or junior to) the Notes.
- 2.9 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.10 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes towards a dividend distribution to the Parent (to enable it to repay its Existing Subordinated Loan) and for general corporate purposes of the Group.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 Prior to the issuance of the Notes, the Issuer shall provide the following to the Agent, in form and substance satisfactory to the Agent:
- (a) the Finance Documents and the Agency Agreement duly executed by the parties thereto;
 - (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Notes, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;

(c) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of parties thereto is/are duly authorised to do so; and

(d) such other documents and information as is agreed between the Agent and the Issuer.

4.2 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

4.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1 have been satisfied.

5. NOTES IN BOOK-ENTRY FORM

5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

5.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

5.4 For the purpose of or in connection with any Noteholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

5.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

5.6 The Issuer and the Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.

6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.

- 6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

7. PAYMENTS IN RESPECT OF THE NOTES

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue subject to and in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8. INTEREST

- 8.1 Each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is one (1) per cent higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9. REDEMPTION AND REPURCHASE OF THE NOTES

9.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid

Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

9.2 Early redemption at the option of the Issuer

Subject to Clause 9.5 (*Consent from the Swedish FSA*) and giving notice in accordance with Clause 9.7 (*Notice of early redemption*), the Issuer may redeem all (but not some only) outstanding Notes on (i) the First Call Date or (ii) any Interest Payment Date falling after the First Call Date.

9.3 Purchase of Notes by the Issuer and related companies

Subject to applicable law and to 9.5 (*Consent from the Swedish FSA*), a Group Company, or other company forming part of the consolidated situation which the Issuer reports to the Swedish FSA, may at any time and at any price purchase Notes on the market or in any other way. Notes held by such company may at its discretion be retained, sold or cancelled.

9.4 Early redemption upon the occurrence of a Capital Event or Tax Event

If a Capital Event or Tax Event occurs prior to the First Call Date, the Issuer may, at its option, but subject to Clause 9.5 (*Consent from the Swedish FSA*) and giving notice in accordance with Clause 9.7 (*Notice of early redemption*), redeem all (but not some only) outstanding Notes on any Interest Payment Date.

9.5 Consent from the Swedish FSA

A Group Company, or any other company forming part of the consolidated situation which the Issuer reports to the Swedish FSA, may not redeem or purchase any outstanding Notes prior to the Final Maturity Date without the prior consent of the Swedish FSA.

9.6 Early redemption amount

The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

9.7 Notice of early redemption

Any redemption in accordance with Clauses 9.2 (*Early redemption at the option of the Issuer*) and 9.4 (*Early redemption upon the occurrence of a Capital Event or Tax Event*) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent. Any such notice is irrevocable and, upon expiry of the notice period, the Issuer is bound to redeem the Notes.

10. INFORMATION TO NOTEHOLDERS

10.1 Information from the Issuer

10.1.1 The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within 150 days after the end of each financial year, audited consolidated financial statements of the Group for that financial year;
- (b) as soon as the same become available, but in any event within 60 days after the end of each quarter of its financial year, unaudited consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) of the Group for such period; and
- (c) as long as the Notes are admitted to trading on any Regulated Market, any other information required by the Swedish Securities Markets Act (*lag (2007:582) om*

värdepappersmarknaden) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

- 10.1.2 When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1.1, the Issuer shall send a copy of such financial statements and other information to the Agent. Together with the financial statements, the Issuer shall submit to the Agent copies of any notices sent to the Regulated Market on which the Notes are admitted to trading.

10.2 Information from the Agent

Subject to the restrictions of any agreement regarding the non-disclosure of information received from the Issuer, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information.

10.3 Information among the Noteholders

Upon request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so and reasonable fees before any such information is distributed.

10.4 Publication of Finance Documents

- 10.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

- 10.4.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

11. DISTRIBUTION OF PROCEEDS

- 11.1.1 All payments by the Issuer relating to the Notes and the Finance Documents shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) first, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs and expenses relating to the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 18.2.8, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 13.15;
- (b) secondly, in or towards payment pro rata of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) thirdly, in or towards payment pro rata of any unpaid principal under the Notes; and
- (d) fourthly, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents.

- 11.1.2 Funds that the Agent receives (directly or indirectly) in connection with the enforcement of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 11 as soon as reasonably practicable.

- 11.1.3 If the Issuer or the Agent shall make any payment under this Clause 11, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid.

12. UNDERTAKINGS RELATING TO THE AGENCY AGREEMENT

- 12.1 The Issuer shall, in accordance with the Agency Agreement:
- (a) pay fees to the Agent;
 - (b) indemnify the Agent for costs, losses and liabilities;
 - (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
 - (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- 12.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

13. DECISIONS BY NOTEHOLDERS

- 13.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 13.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 13.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 13.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 13.3 being applicable, the person requesting the decision by Noteholders may request the Issuer to convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. Should the Issuer in such situation not convene a Noteholders' Meeting, the person requesting the decision by Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer shall then provide the convening Noteholder with such information available in the debt register (*skuldbok*) kept by the CSD in respect of the Notes as may be necessary in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.

- 13.5 Should the Issuer wish to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 14.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 15.1, in either case with a copy to the Agent. Upon a request from the Noteholders pursuant to Clause 18.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 14.1. The Issuer shall inform the Agent before such communication is sent and shall, on the request of the Agent, append information from the Agent together with the communication.
- 13.6 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder on the Business Day specified:
- (a) in the communication pursuant to Clause 14.2, in respect of a Noteholders' Meeting, or
 - (b) in the communication pursuant to Clause 15.2, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount.
- 13.7 The following matters shall require the consent of Noteholders representing at least seventy-five (75) per cent of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.2:
- (a) a change to the terms of Clause 2 (*Status of the Notes*);
 - (b) a change to the terms dealing with the requirements for Noteholders' consent set out in Clauses 13 (*Decisions by Noteholders*), 14 (*Noteholders' meeting*) and 15 (*Written procedure*);
 - (c) an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
 - (d) a change to an Interest Rate or the Nominal Amount (other than as a result of an application of Clause 9.3); and
 - (e) an early redemption of the Notes, other than as permitted by these Terms and Conditions.
- 13.8 Any matter not covered by Clause 13.7 shall require the consent of Noteholders representing more than 50 per cent of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a) or (b)).
- 13.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent of the Adjusted Nominal Amount in case of a matter pursuant to Clause 13.7, and otherwise twenty (20) per cent of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 13.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 14.1) or

initiate a second Written Procedure (in accordance with Clause 15.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Noteholders' consent. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 13.10, the date of request of the second Noteholders' Meeting pursuant to Clause 14.1 or second Written Procedure pursuant to Clause 15.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 13.9 shall not apply to such second Noteholders' Meeting or Written Procedure.

- 13.11 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 13.12 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 13.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 13.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 13.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 13.16 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 13.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 13.6(a) or 13.6(b), as the case may be, and shall also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

14. NOTEHOLDERS' MEETING

- 14.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which is falling no more than five (5) Business Days prior to the date on which the notice is sent.
- 14.2 The notice pursuant to Clause 14.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) the day on which a person must be Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting, and (v) a form of power of attorney. Only matters that have been included in the notice

may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

- 14.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the notice.
- 14.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

15. WRITTEN PROCEDURE

- 15.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of valid a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on a date selected by the Agent which is no more than five (5) Business Days prior to the date on which the communication is sent.
- 15.2 A communication pursuant to Clause 15.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days from the communication pursuant to Clause 15.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 15.3 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 13.7 and 13.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 13.7 or 13.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

16. ADMISSION TO TRADING

- 16.1 The Issuer shall use its best efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date, but in no case later than sixty (60) days after the Issue Date or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.
- 16.2 Following the admission to trading, the Issuer shall use its best efforts to maintain the admission as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;

- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 13 (*Decisions by Noteholders*).
- 17.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 17.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 17.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

18. APPOINTMENT AND REPLACEMENT OF THE AGENT

18.1 Appointment of the Agent

- 18.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 18.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 18.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 18.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

18.2 Duties of the Agent

- 18.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.
- 18.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a

group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

- 18.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 18.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 18.2.5 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 18.2.6 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 18.2.7 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 18.2.6.
- 18.2.8 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of a breach of the Terms and Conditions, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to a breach of the Terms and Conditions or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 11 (*Distribution of proceeds*).

18.3 Limited liability for the Agent

- 18.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 18.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 18.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 13 (*Decisions by Noteholders*).

- 18.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

18.4 Replacement of the Agent

- 18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the old Agent or by way of Written Procedure initiated by the old Agent.
- 18.4.2 Subject to Clause 18.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 18.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 18.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 18.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 19.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.

- 19.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the retiring Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent which shall replace the retiring Issuing Agent as issuing agent in accordance with these Terms and Conditions.

20. NO DIRECT ACTIONS BY NOTEHOLDERS

- 20.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.
- 20.2 Clause 20.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 18.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 18.2.6, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.7 before a Noteholder may take any action referred to in Clause 20.1.
- 20.3 The provisions of Clause 20.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due by the Issuer to some but not all Noteholders.
- 20.4 The provisions of this Clause 20 are subject to the over-riding limitations set out in Clauses 2.6 and 2.7.

21. PRESCRIPTION

- 21.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.
- 21.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

22. NOTICES AND PRESS RELEASES

22.1 Notices

- 22.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch, or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;

- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch, or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Noteholder in order to receive the communication, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

22.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 22.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 22.1.1, or, in case of email, when received in readable form by the email recipient. Any such notice shall be made in English.

22.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

22.2 Press releases

22.2.1 Any notice that the Issuer shall send to the Noteholders pursuant to Clause 9.7 (*Notice of early redemption*) shall also be published by way of press release by the Issuer.

22.2.2 In addition to Clause 22.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

23. FORCE MAJEURE AND LIMITATION OF LIABILITY

23.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

23.2 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect loss.

23.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

23.4 The provisions in this Clause 23 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

24. GOVERNING LAW AND JURISDICTION

24.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection herewith, shall be governed by and construed in accordance with the laws of Sweden.

24.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

We hereby certify that the above terms and conditions are binding upon ourselves.

Place: Stockholm
Date: 12 March 2015

NORDAX BANK AB (PUBL)
as Issuer

Name:

Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place: Stockholm
Date: 12 March

CORPNORDIC SWEDEN AB
as Agent

Name:

DESCRIPTION OF THE ISSUER

General information on the Issuer and the Group

Corporate history of the Issuer

The Issuer, Nordax Bank AB (publ) with Swedish corporate registration number 556647-7286, was incorporated in Sweden on 15 July 2003 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 26 August 2003. The Issuer's registered office is located at Gävlegatan 22 in Stockholm. The Issuer is a public limited liability company (*publikt aktiebolag*).

On 27 January 2004, the Issuer was granted a licence as a credit market company (*kreditmarknadsbolag*) to conduct financing business under the Swedish Financing Business Act (*lag (1992:1610) om finansieringsverksamhet*), subsequently replaced by the Swedish Banking and Financing Business Act (*lag (2004:297) om bank- och finansieringsrörelse*), and on 5 December 2014, the Issuer was granted a licence to conduct banking business. In connection with this, the Issuer changed its name from Nordax Finans AB (publ) to Nordax Bank AB (publ). The bank licence is expected to strengthen the Issuer's brand in the Nordic and German consumer finance markets and will further clarify the Issuer's mission in relation to stakeholders. The bank licence will also enable further development of the existing product offering within savings and new product offerings such as bank cards.

Main activities

The Issuer's main activity is to offer medium-term unsecured loans to consumers throughout the Nordic region and Germany. The Issuer started its lending activities in Sweden in February 2004. Through a centralised business platform and organisation based in Stockholm, it also conducts cross-border consumer lending in Norway, Denmark, Finland and Germany. The Issuer started the cross-border lending in Norway in October 2005, in Denmark in October 2006, in Finland in August 2007 and in Germany in April 2012.

The Issuer's lending activities are supplemented by deposit-taking. Deposit-taking in Sweden started in December 2008, in Norway in September 2009 and in Finland in February 2011.

As part of its banking business, the Issuer will carry out payment intermediation via general payment systems through a direct participation in *Dataclearingen*, a computerised mass transaction system for payment services. The Issuer will also participate indirectly in *RIX*, the Swedish Central Bank's payment system for large value payments and the central hub of the Swedish financial infrastructure, via a direct participant in *RIX* who acts as the Issuer's agent for clearing services (*clearingombud*).

The Issuer is led by a team of eighteen executive managers, experienced in the finance industry, some of whom have previously been involved in building and running unsecured consumer loan business for GE and Citibank in the Nordic region.

As at 31 December 2014, the Issuer employed approximately 163 full-time staff and 49 temporary staff employed on an on-demand basis.

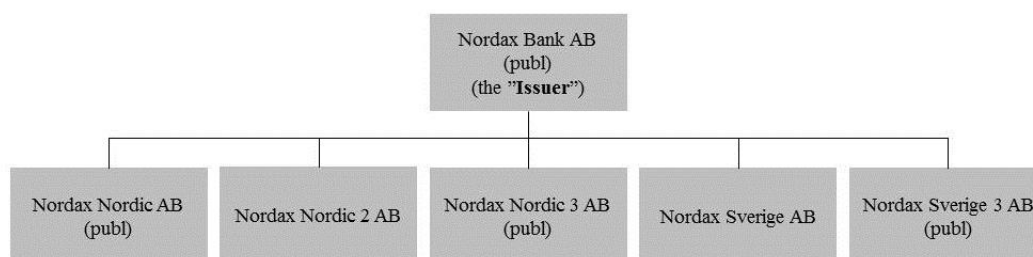
Legal structure of the Group

The Issuer is a subsidiary of the holding company Nordax Holding AB, which in turn is held by the holding company Nordax Group Holding AB. The sole purpose of the two holding companies is to own the shares in their subsidiaries. The Group operates through the Issuer and its operating funding subsidiaries (presently five).

The Issuer is ultimately owned by funds ("**Vision Capital Funds**") managed by Vision Capital Management Limited ("**VCML**") (such funds owning approximately 75 per cent of the interests in the Issuer) and by the members of the board of directors and the management team (jointly owning approximately 25 per cent). VCML forms part of the Vision Capital group, a private equity firm founded in 1997 that pioneered direct secondaries investments in Europe. The firm has approximately EUR 1.7 billion in assets under management and operates from the UK, the U.S. and Guernsey. The Vision Capital Funds acquired their interests in the Issuer from its former owners, funds managed by Palamon Capital Partners, in July 2010. The Vision Capital Funds have an investment horizon stretching beyond 2018 with the possibility of extension to 2021. However there is no assurance that such funds will keep their stake in the Issuer during such time period, and Vision has mandated Lazard and Morgan Stanley as financial advisers to evaluate strategic options in respect of its indirect shareholding in the Issuer. All options will be considered, including an initial public offering, but there can be no certainty that any particular transaction will take place. It may be noted that any new majority owner, regardless of timing, must be approved by the Swedish FSA prior to acquiring (directly or indirectly) shares in the Issuer.

As part of the Issuer's current funding strategy, consumer loans are continuously transferred from the Issuer to the funding subsidiaries and pledged as security for bilateral funding facilities or asset-backed securities.

Legal structure (including only operating companies)



Relevant legislation

The Issuer is a limited liability company and regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*) and its articles of association. As a banking company, the Issuer is subject to the supervision of the Swedish FSA and regulated by *inter alia* the Swedish Banking and Financing Business Act (*lag (2004:297) om bank- och finansieringsrörelse*) and the Swedish Deposit Insurance Act (*lag (1995:1571) om insättningsgaranti*).

The Issuer is further subject to the provisions set forth in the CRR, the Swedish Supervision of Credit and Investment Firms Act (*lag (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*) and the Swedish Act on Capital Buffers (*lag 2014:966) om kapitalbuffertar*) which implements CRD IV.

The capital adequacy requirements are measured both on the level of the Issuer and on the consolidated situation which the Issuer reports to the Swedish FSA, consisting, as of 31 October 2014, of Nelson Luxco S.á.r.l., Nordax Group Holding AB, Nordax Holding AB, Nordax Bank AB (publ), Nordax Nordic AB (publ), Nordax Nordic 2 AB, Nordax Nordic 3 AB (publ), Nordax Sverige AB, Nordax Sverige 3 AB (publ), Nordax Finans AS Norge (dormant) and Nordax OY Finland (dormant).

In addition to laws and official regulations, the Issuer has a number of internal documents that govern the day-to-day management of the company. These are adopted by the board of directors or the CEO and include *inter alia* the rules of procedures for the board of directors, instructions for the CEO, the risk management policy, the credit policies, the remuneration policy, the outsourcing policy, the financial risk policy, the liquidity contingency plan and the complaints management policy.

Business operations

The loan product and origination channels






The Issuer's loan product is a medium-term unsecured consumer loan in an amount up to SEK / NOK 400,000, DKK 300,000 and EUR 30,000 respectively. Enquiries have shown that loans are generally used for debt consolidation, home improvements, travel, used cars and general consumption.

The Issuer's primary origination channel is its direct mail program which enables the Issuer to optimise its targeting in terms of balancing response levels with quality of applications through sophisticated data analyses. In addition to its direct mail program, the Issuer also originates loans through *inter alia* mass communication and brokers. Applications are collected by regular mail, by phone and via the internet.

Geographical segments

The Issuer offers loans to consumers in Norway, Sweden, Finland and Germany. The Issuer has also offered consumer loans in Denmark. However, due to the current Danish economic and legal environment, the Issuer does not grant any new loans in Denmark at present.

Geographic overview (as of 31 December 2014)

	 Sweden	 Norway	 Denmark	 Finland	 Germany
Loan portfolio	SEK 3,867mn	SEK 3,921mn	SEK 245mn	SEK 1,682mn	SEK 294mn
Share of total	39%	39%	2%	17%	3%
No. of loans	32,953	26,616	3,961	18,034	2,886
Deposits	SEK 3,591mn	SEK 2,184mn	n/a	SEK 579mn	n/a

Underwriting process

The Issuer's underwriting process is governed by country-specific credit policies and related credit instructions and is handled by a separate department. As illustrated below, the underwriting process comprises five steps, including a sophisticated scoring of the application taking a range of variables into consideration. As far as possible, the process is standardised enabling applications to run smoothly through the process. The five underwriting process steps are further supported by automatic and manual checkpoints to ensure that all procedures are carried out appropriately.

Illustrative overview – the Issuer's underwriting process

First level: Policy rules

The initial step is to automatically reject applicants who do not meet the minimum criteria, *including* minimum income, minimum age, no history of bad debt, etc. No deviations from these policy rules are accepted.

Second level: Referral rules

All obtained information from the applicant is verified and compared to information from other sources. Any inconsistencies detected will be investigated before the application process proceeds.

Third level: Scoring

A statistical measure of each applicant's creditworthiness. In order to be approved, the applicant must achieve a pre-determined minimum score which is within the internal maximal acceptable risk exposure.

Fourth level: Affordability calculation

To ensure the applicant's financial ability to repay the loan an affordability calculation is performed based on the applicant's net income, borrowing cost (cost of unsecured debt, credit cards, mortgage) and cost of living based on number of persons in the household.

Fifth level: Limit assignment

Finally, the credit limits are assigned based on a limit matrix that combines the score with the applicant's income to set a maximum loan amount that can be granted which is within the internal maximum acceptable risk exposure.

APPROVED FOR A LOAN

Customer service

All customer service is performed by the Issuer's customer services department. Representatives from the customer services department handle all communication with the customers via phone, e-mail and regular post. The services include, for example, preparation and administration around the loan application process, frequently asked questions, change of terms and processing of applications for loan increases.

Collection process

The Issuer's collection process is governed by country-specific collection and provisioning policies and related instructions, and is handled by a separate department. The collection department is divided into two specialised

teams; the payment consultant team (“**PCT**”) with focus on outbound calls and the legal collection team (“**LCT**”) with focus on advanced cases and outsourced legal debt collection. The Issuer’s policy is to reach out to customers at an early stage of delinquency and both the PCT and the LCT have efficient but strictly limited curing tools available to handle customers who face difficulties repaying their loans.

The LCT team is dedicated to the management of non-performing loans and is thus responsible for the Issuer’s co-operation with debt collection agencies. The Issuer only works with reputable and well-established debt collection agencies in each market and loans in arrears are administered by debt collection agencies from the point when they are approximately 90 days overdue.

Insurance

Customers in Sweden, Norway and Finland who qualify for payment protection insurance (“**PPI**”) are offered PPI to secure monthly payments in the event of illness or involuntary unemployment and to secure total repayment in the event of death, and as regards individuals who are self-employed, monthly payments in the event of hospitalization. The insurance is an optional group insurance and offered by the Issuer as a tied insurance intermediary (*anknuten försäkringsförmedlare*) to Financial Insurance Company Limited, UK, and Financial Assurance Company Limited, UK (the “**Insurer**”). Thus, the Issuer is not party to any of the insurance agreements but only to a co-operation agreement with the Insurer.

The Group collects insurance premia on behalf of the Insurer. As of 31 December 2014, the insurance premia typically accounted for approximately 10% of insured customers’ monthly payments of interest, principal and fees (excluding late payment fees and reminder fees).

Liquidity and funding strategy

The Issuer’s long-term liquidity and funding strategy is to attain high maturity and currency matching between its lending assets and its liabilities. The objective is hence to utilise funding sources with a low level of liquidity risk and high certainty of refinancing at maturity, as evidenced by price stability, regularity of issuance and breadth of investor participation.

Funding

The strategy caters for a diversified six-pronged funding platform of equity and subordinated debt, asset-backed securities (ABS), warehouse funding facilities, retail deposits in several countries and senior unsecured bonds. These strategic funding sources combined give the desired diversification in terms of markets, investors, maturities, geographies and currencies.

An important component of the funding strategy is to securitise consumer loans originated by the Issuer in the European ABS term market. The intention is to regularly issue ABS under the established SCL (Scandinavian Consumer Loans) issuance programme targeted to a diversified investor base.

To enable ABS issuances, the Issuer has established a funding structure with a number of on-balance sheet funding subsidiaries. These funding subsidiaries acquire consumer loans from the Issuer on a continuous basis. The acquisitions are financed through bilateral credit facilities sponsored by international banks until each portfolio has reached sufficient size to be eligible for refinancing in the ABS market.

In 2013, the Issuer issued its first Swedish senior unsecured bonds, eventually listed on Nasdaq Stockholm. The bonds have a total outstanding principal amount of SEK 500 million and mature in 2016.

As part of the Issuer’s diversified funding strategy, retail deposits are accepted in Sweden, Norway and Finland through the Issuer’s own platform and also via a co-operation with the Swedish bank Avanza Bank AB.

Board of directors

The board of the Issuer consists of eight ordinary members. The table below sets out the name and current position of each board member.

Name	Position
Richard Pym	Chairman
Morten Falch	Member
Arne Bernroth	Member
Christian Beck	Member
Daryl Cohen	Member
Andrew Rich	Member
Synnöve Trygg	Member (currently undergoing customary management approval from the SFSA)

Richard Pym

Born 1949 in the United Kingdom. Non-executive Chairman of the Board.

Principal education: BSc Hons in Physics, University of Warwick, UK.

Other on-going principal assignments: Chairman of UK Asset Resolution Ltd, Chairman of Allied Irish Banks plc, and Fellow of the Institute of Chartered Accountants in England and Wales.

Morten Falch

Born 1967 in Norway. Executive Director.

Principal education: B.Sc. Honours degree in Business Administration, University of Bath, UK.

Other on-going principal assignments: None.

Arne Bernroth

Born 1947 in Sweden. Non-Executive Director.

Principal education: B.A., Lund University, Sweden.

Other on-going principal assignments: Board member of Biolin Scientific, Emra gruppen AB and Aquilles Invest.

Christian Beck

Born 1958 in Norway. Non-Executive Director.

Principal education: Master of Law and Advanced studies in Political Economics, Oslo University, Norway.

Other on-going principal assignments: Chairman of Eneas Energy Group AS, Banqsoft AS and Axcasa Arkitekter.

Daryl Cohen

Born 1978 in the United Kingdom. Non-Executive Director.

Principal education: Holds a B.A. and M.A. (Cantab.) in Natural Sciences, University of Cambridge, UK.

Other on-going principal assignments: Partner of Vision Capital LLP and board member of Portman Travel Limited and Bormioli Rocco Holdings S.A.

Andrew Rich

Born 1974 in Hong Kong. Non-Executive Director.

Principal education: M.A. Honors degree in History of Art and Chinese Studies, Edinburgh University, UK.

Other on-going principal assignments: Partner of Vision Capital LLP and member of the boards of JDR Cables, Park Cake and Pork Farms and the Advisory Board of Trio LLP (the holding company for ABL, MG and SwissHaus).

Synnöve Trygg

Born 1959 in Sweden. Non-Executive Director (undergoing customary management approval from the SFSA).

Principal education: B.A. in business administration, Stockholm University, Sweden.

Other on-going principal assignments: member of the Board of Directors of Intrum Justitia AB, Landshypotek Bank AB, Trygg Hansa Försäkringsaktiebolag and Volvofinans Bank AB.

Management team

Name	Position
Morten Falch	CEO, corporate executive
Jacob Lundblad	Deputy CEO and COO, corporate executive
Johanna Clason	Treasurer, corporate executive
Camilla Wirth	CFO, corporate executive
Christine Ahlm	Risk Manager, corporate executive
Kristina Nordlind	Chief Legal Counsel, corporate executive
Åse Lindskog	Head of Investor Relations, corporate executive

*In addition, there are eleven business executives who are also part of the management team.

Additional information on the board and the management team

Business address

The office address of the board of directors and the management team is the registered office of the Issuer.

Conflicts of interest

To the best knowledge of the Issuer, no conflicts of interest exist between the private interests and other duties of the board members or the management team and their duties towards the Issuer. The aforesaid applies also to other persons employed by the Issuer and involved in the preparation of this Prospectus.

Auditors

At the 2013 annual general meeting, authorised public accountant Helena Kaiser de Carolis from Öhrlings PricewaterhouseCoopers AB (Torsgatan 21, 113 97 Stockholm, Sweden) was elected auditor of the Issuer. Helena Kaiser de Carolis is a member of FAR. Öhrlings PricewaterhouseCoopers AB has been the responsible auditing firm since 2003.

MARKET AND INDUSTRY OVERVIEW

The unsecured consumer credit market

As of 31 December 2014, the Issuer had the following unsecured consumer credit portfolio distribution:

	Norway	Sweden	Finland	Germany	Denmark	Total
Loan portfolio (MSEK)	3,921	3,867	1,682	294	245	10,009
Share of total loan portfolio	39.2%	38.6%	16.8%	2.9%	2.5%	100%

Norway and Sweden thus represent approximately 78 per cent of the Issuer's total unsecured consumer credit portfolio. In addition, all of the consumer deposits are currently originated out of the Nordic region, with Sweden and Norway being the most important markets. Hence, the Norwegian and the Swedish consumer credit markets are presently the most important markets for the Issuer.

Norway – market overview

For a number of years the Norwegian FSA (*Finanstilsynet*) has surveyed the extent of unsecured consumer credits in the Norwegian market. Statistics have been collected from 22 companies (12 banks and 10 finance companies) and both Norwegian companies and branches of foreign companies are included. The survey includes unsecured consumer credit cards (including overdrafts) and unsecured consumer loans. The survey does not include any credits/loans which relate to any secured products.

The survey measures the Norwegian unsecured consumer credit market to approximately NOK 72 billion of outstanding debt per 30 September 2014, equivalent to around 3 per cent of total household borrowings.

The survey shows a yearly growth in the unsecured credit market of approximately 17 per cent during 2008. Due to the international financial crisis in 2008 the increase came to a halt in 2009. The market has since recovered and annual growth rate is currently around 10 per cent.¹

Norwegian unsecured consumer loan products generally offer a maximum tenor of up to 15 years and a maximum amount of NOK 400,000. In general, the nominal interest rate currently varies between approximately 4,5 per cent and approximately 20 per cent.²

Lenders in Norway³

Both banks and finance companies provide unsecured consumer loans. In recent years the unsecured consumer credit market has attracted more competition, and is now more influenced by niche players like Gjensidige Bank / Opp Finans and Santander Consumer Bank, while previously having been a market primarily dominated by subsidiaries of the Norwegian high street banks. Furthermore, the influence of brokers such as Axo, Centum Finans and Lendo has increased, but the broker market is still not as developed as in Sweden. As to unsecured consumer credit cards, subsidiaries of high street banks have a stronger position, but Santander Consumer Bank is also highly present.

The major Norwegian unsecured consumer loan lenders and brokers include niche companies such as:

Lenders	Lenders	Brokers
Bank Norwegian	Ikano Bank	Acconto Finans
DNB – Cresco	Komplett Bank	Axo Finans
Enter Card	Resurs Bank	BB Finans
Finaref	Santander Consumer Bank	Centum
Gjensidige Bank/Opp Finans	yA Bank	Lendo

¹ Source: "Risk Outlook 2013, The Financial Market in Norway" and "Resultatrapport for finansinstitusjoner, 1. -3. Kvartal 2014, both published by the Norwegian FSA

² Source: "Resultatrapport for finansinstitusjoner, 1. -3. kvartal 2014 published by the Norwegian FSA, Danske Bank Markets and www.finansportalen.no

³ Source: Danske Bank Markets

As of 31 December 2014, the Issuer's unsecured consumer credit portfolio in Norway amounted to SEK 3,921 million.

Sweden – market overview

In Sweden, both banks and finance companies provide unsecured consumer loans. As of 31 December 2014, the total Swedish unsecured consumer credit market amounted to around SEK 204 billion of outstanding debt of which approximately SEK 174 billion is provided by the banking sector. The remaining SEK 30 billion is provided by other finance companies.⁴

During 2014, the growth rate in the total unsecured consumer lending was around 2,5 per cent. At the same time, the growth rate in unsecured consumer lending provided by other finance companies was approximately 1,9 per cent according to data published by Statistics Sweden (*Statistiska centralbyrån*).⁵

The Swedish unsecured consumer loan products generally offer a maximum tenor of 15 years and a maximum amount of SEK 400,000. In general, the interest rate currently varies between approximately 4 per cent and approximately 20 per cent.⁶

Lenders in Sweden⁷

In recent years the unsecured consumer credit market has attracted more competition. In addition to the traditional commercial and savings banks, a number of niche companies are offering senior unsecured consumer lending on terms which typically are more attractive than the high street banks. The rise of loan brokers has also affected the market for unsecured consumer lending. Some 15 loan brokers are active, the largest valued to be Compricer, Freedom Finance and Lendo. The use of a broker offers the borrower access to a broad number of potential lenders, in the search for the most favorable borrowing terms.

The major Swedish unsecured consumer loan lenders and brokers include niche companies such as:

Lenders	Lenders	Lenders	Brokers
Advisa	ICA Banken	Santander Consumer Bank	Freedom Finance
Bank Norwegian	KonsumentKredit	SevenDay	Lendo
BIG BANK	Ikano Bank	Svea Direkt	Compricer
BlueStep	Marginalen Bank	Wasa Kredit	insplanet
Collector	Spring finance		MyLoan
Coop Privatlån	Nordnet		Axofinans
Forex Bank	Resurs Bank		

As of 31 December 2014, the Issuer's unsecured consumer credit portfolio in Sweden amounted to SEK 3,867 million.

⁴ Source: SCB "Finansmarknadsstatistik, 2014"

⁵ Source: SCB "Finansmarknadsstatistik, 2014"

⁶ Source: www.compricer.se

⁷ Source: Danske Bank Markets

CAPITAL ADEQUACY AND LIQUIDITY POSITION

As a regulated bank, the Issuer and the consolidated situation which the Issuer reports to the Swedish FSA need to comply with certain capital requirements, as set out in more detail in the section “Risk factors”. Since 1 January 2014, regulated credit institutions, such as the Issuer, need to comply with a minimum statutory requirement concerning CET1 capital of 4.5 per cent and a total regulatory capital requirement of 8 per cent.

In addition, a capital conservation buffer of 2.5 per cent was implemented in Sweden on 2 August 2014, while the Swedish countercyclical capital buffer of 1 per cent will be effective from September 2015. The countercyclical capital buffer is specific to the country where the risk exposure amounts are located and will vary over time.

As of 31 December 2014, the Issuer’s financial group reported a total capital ratio of 14 per cent.

Capital adequacy – group level⁸

as of date	31 Dec 2014 (MSEK)	31 Dec 2013 (MSEK)	31 Dec 2012 (MSEK)	31 Dec 2011 (MSEK)
Capital base				
Core capital	1,537	1,075	881	690
Tier-2 capital	159	0	0	0
Deduction from the capital base	-304	-5	-6	-2
Total capital base (net)	1,392	1,070	874	687
Regulatory capital requirements				
Capital requirements, related to credit risk	659	543	502	440
Capital requirements, related to market risk	43	22	23	20
Capital requirements, related to operational risk	102	78	61	53
Regulatory capital requirements (total)	804	643	586	513
Riskweighted assets	10,046	8,037	7,328	6,412
Capital position				
Common equity Tier-1 ratio	12%	13%	12%	11%
Total Capital ratio	14%	13%	12%	11%
Total Capital adequacy ratio	1.73	1.66	1.49	1.34

⁸ Please note the following in relation to the information on this page 43. The figures for 2014 reflects the requirements in the CRR and are based on the “consolidated situation” (as defined in the CRR) which the Issuer reports to the Swedish FSA, while the figures for 2011-2013 reflects the previous reporting requirements under the then applicable Swedish legislation and are based on the Issuer’s “financial group” (as defined in the Swedish capital adequacy act (*lag (2006:1371) om kapitaltäckning och stora exponeringar*)).

Capital adequacy & liquidity – Nordax Bank AB (publ)

	31 Dec 2014 (MSE K)	31 Dec 2013 (MSE K)	31 Dec 2012 (MSE K)	31 Dec 2011 (MSE K)
Capital base				
Core capital ⁹	1,127	1,063	856	669
Tier-2 capital	-	-	-	-
Deduction from the capital base	-6	-5	-6	-2
Total capital base (net)	1,121	1,058	854	666
Regulatory capital requirements				
Capital requirements, related to credit risk	434	377	353	300
Capital requirements, related to market risk	43	22	23	20
Capital requirements, related to operational risk	92	53	43	43
Regulatory capital requirements (total)	569	453	418	363
Riskweighted assets	7	6	5	5
Capital position				
Common Equity Tier-1 ratio	15.75%	18.7%	16.4%	14.7%
Total Capital ratio	15.75%	18.7%	16.3%	14.7%
Total Capital adequacy ratio	1.97	2.34	2.04	1.84
Liquidity position				
Liquidity reserve, MSEK	3,246	1,809	4,147	2,353
Liquidity coverage ratio	8.40	3.85	5.65	4.64
Net stable funding ratio	1.46	1.34	1.66	1.46

All numbers are restated (in relation to the annual report for 2014) or calculated (in relation to the annual reports for 2011-2013) based on the numbers reported in the annual report for each period.

Please see the full annual reports available on www.nordax.se for more detailed information and notes.

⁹ The core capital of the Issuer has been reduced compared to the 2014 year-end report since the Issuer has, in accordance with the use of proceeds as described in this Prospectus, paid dividend to its parent company Nordax Holding AB. The dividend has been used to redeem Nordax Holding AB's existing subordinated debt. The dividend was deducted from the Issuer's core capital at year-end but was effectuated in April 2015 after the issuance of the Notes.

LEGAL AND SUPPLEMENTARY INFORMATION

Incorporation by reference

The following information has been incorporated into this Prospectus by reference and should be read as part of this Prospectus:

The Issuer's annual report for 2012	as regards the audited consolidated financial information and the audit report on page 3 for key figures, page 5 for income statement, page 6 for balance sheet, page 7 for cash flow statement and page 30 for the auditor's report.
The Issuer's annual report for 2013	as regards the audited consolidated financial information and the audit report on page 3 for key figures, page 8 for income statement, page 9 for balance sheet, page 10 for cash flow statement and page 34 for the auditor's report.
The Issuer's annual report for 2014	as regards the audited consolidated financial information and the audit report on page 3 for key figures, page 8 for income statement, page 10 for balance sheet, page 11 for cash flow statement and page 36 for the auditor's report.

Information in the above documents which is not incorporated by reference is either deemed by the Issuer not to be relevant for investors in the Notes or is covered elsewhere in the Prospectus.

The Issuer's annual reports for 2012, 2013 and 2014 have been prepared in accordance with international financial reporting standards as adopted by the European Union and in accordance with the Swedish Annual Report Act (*årsredovisningslag (1995:1554)*). With the exception of the annual reports, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

Documents available for inspection

Copies of the following documents can be obtained in paper format during the validity period of the Prospectus from the Issuer at Gävlegatan 22, 104 35 Stockholm, Sweden.

- (a) The certificates of registration and the Articles of Association of the Issuer.
- (b) All documents which are incorporated by reference into the Prospectus.
- (c) The Agency Agreement.

Certain material interests

The Joint Bookrunners have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer in the ordinary course of business. Therefore, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

General information

- (a) The issuance of the Notes was authorised by resolutions taken by the board of directors of the Issuer on 10 March 2015. The Notes were issued by the Issuer on 18 March 2015. This Prospectus has been prepared in relation to the Issuer's application to list the Notes on the corporate bond list of NASDAQ Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*). It is estimated that the total costs in conjunction with the admission to trading will be no higher than SEK 200,000.

- (b) There has been no material adverse change in the prospects of the Issuer's business, financial condition or results of operations since the date of the its last published audited financial statements.
- (c) There has been no significant adverse change of the Issuer's market position since the date of its last published audited financial statements.
- (d) No member of the Group is currently, and has not within the last twelve months been, subject to any material court or administrative proceedings (including any such proceedings which are pending or threatening so far as the Issuer is aware) which could have a significant adverse effect on the Issuer's or the Group's financial position or profitability. Members of the Group are however parties to lawsuits and other disputes from time to time in the course of their normal operations, e.g. collection matters.
- (e) The Issuer has not concluded any material agreement outside of its ordinary course of business which may materially affect the Issuer's ability to fulfill its obligations under the Notes.

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