CITY OF MALMÖ

SEK5,000,000,000
EURO-COMMERCIAL PAPER PROGRAMME

Arranger
SEB
Dealers
Barclays
Citigroup
ING
SEB
IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the “Information Memorandum”) contains summary information provided by the City of Malmö (the “Issuer”) in connection with a euro-commercial paper programme (the “Programme”) under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the “Notes”) up to a maximum aggregate amount of SEK5,000,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (“Regulation S”) of the United States Securities Act of 1933, as amended (the “Securities Act”). The Issuer has, pursuant to a dealer agreement dated 13 September 2016 (the “Dealer Agreement”), appointed Skandinaviska Enskilda Banken AB (publ) as arranger for the Programme (the “Arranger”), appointed Barclays Bank PLC, Citibank Europe plc, UK Branch, ING Bank N.V., and Skandinaviska Enskilda Banken AB (publ) as dealers for the Notes (the “Dealers”) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.

The Issuer has confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading.

Neither the Issuer, the Arranger nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the
Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

Neither the Arranger nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Arranger, the Dealers, or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum of any information or change in such information coming to the Arranger's or any Dealer's attention.

Neither the Arranger nor any of the Dealers accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes and the Issuer set out under “Selling Restrictions” below.
No application will be made at any time to list the Notes on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

**Tax**

No comment is made, and no advice is given by the Issuer, the Arranger or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser.

**Interpretation**

In the Information Memorandum, references to euros and € are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; references to SEK are to Swedish Kroner; references to Sterling and £ are to pounds sterling; references to U.S. Dollars and U.S.$ are to United States dollars; references to JPY and ¥ are to Japanese Yen; references to CHF are to Swiss francs; references to AUD are to Australian dollars; references to CAD are to Canadian dollars; references to NZD are to New Zealand dollars; references to DKK are to Danish Kroner; references to NOK are to Norwegian Kroner.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

**Documents Incorporated By Reference**

The most recently published audited financial statements of the Issuer and the most recently published audited consolidated financial statements of the Issuer and its subsidiaries and any subsequently published interim financial statements (whether audited or unaudited) of the Issuer shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Any statement contained in a document incorporated by reference into this Information Memorandum or contained in any supplementary information memorandum or in any document incorporated by reference therein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.
Except as provided above, no other information, including information on the web sites of the Issuer is incorporated by reference into this Information Memorandum.

Each Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the relevant Dealer at its office as set out at the end of this Information Memorandum.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TERMS AND CONDITIONS</td>
<td>7</td>
</tr>
<tr>
<td>DESCRIPTION OF THE ISSUER</td>
<td>10</td>
</tr>
<tr>
<td>SELLING RESTRICTIONS</td>
<td>16</td>
</tr>
<tr>
<td>FORMS OF NOTES</td>
<td>19</td>
</tr>
<tr>
<td>PROGRAMME PARTICIPANTS</td>
<td>35</td>
</tr>
</tbody>
</table>
TERMS AND CONDITIONS

Issuer: City of Malmö
Arranger: Skandinaviska Enskilda Banken AB (publ)
Dealers: Barclays Bank PLC
Citibank Europe plc, UK Branch
ING Bank N.V.
Skandinaviska Enskilda Banken AB (publ)
Issue and Paying Agent: Deutsche Bank AG, London Branch

Maximum Amount of the Programme: The outstanding principal amount of the Notes will not exceed SEK5,000,000,000 (or its equivalent in other currencies) at any time. The Maximum Amount may be increased from time to time in accordance with the Dealer Agreement.

Ratings: The Programme has not been rated.

Form of the Notes: The Notes will be in bearer form. The Notes will initially be in global form (“Global Notes”). A Global Note will be exchangeable into definitive notes (“Definitive Notes”) only in the circumstances set out in that Global Note.

Delivery: Global Notes will be deposited with a common depository for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) or with any other clearing system. Account holders will, in respect of Global Notes, have the benefit of a Deed of Covenant dated 13 September 2016 (the “Deed of Covenant”), copies of which may be inspected during normal business hours at the specified office of the Issue and Paying Agent. Definitive Notes (if any are printed) will be available in London for collection or for delivery to Euroclear, Clearstream, Luxembourg or any other recognised clearing system.

Currencies: Notes may be denominated in euros, U.S. Dollars, JPY, Sterling, CHF, SEK, AUD, CAD, NZD, NOK, DKK or any other currency subject to compliance
with any applicable legal and regulatory requirements.

**Term of Notes:** The tenor of the Notes shall be not less than one day or more than 364 days from and including the date of issue, to (but excluding) the maturity date, subject to compliance with any applicable legal and regulatory requirements.

**Denomination of the Notes:** Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements. The initial minimum denominations for Notes are US$500,000, €500,000, £100,000, ¥100,000,000, CHF500,000, SEK1,000,000, NOK1,000,000, DKK1,000,000, AUD1,000,000, CAD500,000, NZD1,000,000. The minimum denominations of Notes denominated in other currencies will be in accordance with any applicable legal and regulatory requirements. Minimum denominations may be changed from time to time.

**Listing:** The Notes will not be listed on any stock exchange.

**Yield Basis:** The Notes may be issued at a discount or at a premium or may bear fixed or floating rate interest.

**Redemption:** The Notes will be redeemed as specified in the Notes.

**Status of the Notes:** The Issuer's obligations under the Notes will rank at least pari passu with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations mandatorily preferred by law applying to companies generally.

**Selling Restrictions:** Offers and sales of Notes and the distribution of this Information Memorandum and other information relating to the Issuer and the Notes are subject to certain restrictions, details of which are set out under “Selling Restrictions” below.

**Taxes:** All payments in respect of the Notes shall be made without withholding or deduction for or on account of any taxes imposed by Sweden, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, the Issuer shall, subject to certain exceptions, be
required to pay such additional amounts as shall result in receipt by the holder of such amounts as would have been received by it had no such withholding or deduction been required.

**Governing Law:**

The Notes and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law. To the extent that it is legally able to do so, the Issuer waives irrevocably and unconditionally any immunity to which it might otherwise be entitled.
DESCRIPTION OF THE ISSUER

MALMÖ STAD (CITY OF MALMÖ)

Introduction

Malmö has more than 320,000 inhabitants and is the third largest city in Sweden after Stockholm and Gothenburg. Malmö is situated in the south of Sweden and is the regional growth centre. Malmö’s local economy has been boosted by the close collaboration and integration in the Copenhagen-Malmö, or the Öresund, region following the opening of the Malmö-Copenhagen fixed road and railway link in 2000 (the Öresund bridge) and the opening of the Malmö City Tunnel in December 2010.

Copenhagen International Airport, Scandinavia's largest airport in terms of traffic flow, is only 15 minutes by rail from Malmö and central Copenhagen can be reached within 25 minutes by rail from Malmö.

Essential development factors

Since 2009 population growth has averaged about 1.5 per cent. annually. Malmö expects, and is budgeting on the basis that, the population will grow by approximately 1.5 per cent. each year over the next few years. Population growth (particularly adult immigration) should lead to an expansion of the tax base, but will also require increased investments in public services. Infrastructure investments, the establishment of Malmö University and immigration from abroad have been the key drivers of population growth over the past two decades. These factors have also contributed to the shift of Malmö's economic activity from an industrial to an educational focus.

Malmö’s thriving business and university sectors and its high quality of life and diverse range of leisure activities attract many people to move here. According to the Swedish Central Bureau of Statistics (Sw. Statistiska Centralbyrån), Malmö ranks amongst the municipalities with the lowest average age. With around 170 different nationalities, Malmö is also one of the most internationally diverse cities in Sweden. Malmö has attracted creative people and knowledge-intensive businesses to establish themselves here. Malmö is now home to many business start-ups as well as many established companies that have chosen to start their operations in the city.

Investment plans

The increase in the number of children of nursery school and school age brings challenges mainly in relation to the provision of educational services in particular in respect of the supply of premises and personnel. The increasing population creates further demand for housing and activity areas and results in increasing expenditure on new infrastructure.

A long-term financial analysis carried out in autumn 2015 indicates that the requirement for investments to meet the demographic development will utilise the entire financing capacity which can be expected up to 2030. The capacity for other investments will be limited.
Local Economy

Malmö has historically been dependent on the production industry such as shipbuilding and engineering industries. Since the mid-1980s, the predominant trend for Malmö’s economy has been a movement towards service, knowledge and trade-based industries and today Malmö's economy is diversified and largely composed of small and medium-sized employers. The Malmö labour market mainly consists of private employers (approximately 70 per cent.) and jobs in the government, municipality and county council (Sw. landsting) (approximately 30 per cent.). Malmö’s unemployment level in 2015 was 12 per cent. which is above the national average of 7 per cent.

Approximately 24,000 people (expressed as full-time positions), were employed by the City of Malmö in 2015, making it one of the largest employers of the region.

Administrative Organisation and Political Structure

The Swedish Parliament has exclusive power to enact legislation, including constitutional measures, pertaining to local government.

Sweden is divided into 21 counties and 290 municipalities (of which Malmö is one). The Swedish municipalities are responsible for providing a significant proportion of all public services including: social services; public transport; the provision of childcare; compulsory schooling; planning and building issues; waste management; water supplies; and environmental protection. Municipalities have a considerable degree of autonomy and independent powers of taxation. This is generally expressed as the principle of local self-government (Sw. kommunalt självstyre). Sweden has a long tradition of local self-government which is also a right under the Swedish Constitution.

The supreme decision-making body within Malmö is the City Council (Sw. Kommunfullmäktige) consisting of 61 members, each elected for a period of four years under a system of proportional representation. The members are elected at general elections held at the same time as the Swedish parliamentary elections.

The Council in turn elects the City Executive Board (Sw. kommunstyrelsen) and other local government committees (Sw. nämnder) as well as the city’s auditors who are nominated by the political parties.

The City Executive Board leads and coordinates the administration of all municipal matters and bears the overall responsibility for execution of the matters decided by the City Council.

Financial Structure of Malmö

Under Swedish law, Malmö is a legally independent local entity, with specific administrative responsibilities and specific fiscal powers including the right to levy income taxes.

The state provides a grant-in-aid to facilitate certain functions of the municipalities and to ensure equivalent standards throughout Sweden. The responsibilities for providing local
services are allocated between the state, Malmö and the county council of Skåne (Sw. Region Skåne). Examples of the current allocation include, but are not limited to, the services below:

- **The state:** Defense, courts of justice, police, university level education and research, airports, health insurance and basic pensions and other national and international matters.
- **Malmö:** Social services including health care for elderly people, water supplies, sewage collection and purification, refuse collection and disposal, education (up to university level), port activities and services, street construction and maintenance, housing and real estate development, fire protection, environment and culture, parks and sport and town planning.
- **The county council of Skåne:** Hospitals, health care and public transport.

**Financing of municipal activities**

Municipalities such as Malmö have the power to raise finance through direct taxation and to charge users for services and benefits provided. Tax rates are set at the discretion of the municipality. Malmö’s activities can be divided into activities financed out of taxation and activities covered by charges, examples of which include, but are not limited to, the activities set out below:

- **Activities financed out of taxation:** Social services, education, street construction and maintenance, fire protection, environment and culture, parks and sports and town planning, which are conducted through divisions of Malmö’s administration.
- **Activities covered by charges:** District heating, water and sewage collection and purification, housing and real estate development, port activities and services, which are generally conducted through wholly-owned limited liability companies. Malmö’s wholly or partly owned companies are independent legal and economic units of which the vast majority are self-supporting.

Malmö’s Internal Bank (Sw. internbanken) is under the control of the City Executive Board. The Internal Bank is responsible for funding of the municipality including its wholly owned companies within Malmö's group.

**Revenue and Expenditure**

The main source of Malmö's revenue derives from income tax levied on its citizens' earnings and pensions. Malmö also receives central government grants. Such grants are comprised of two elements. Firstly, equalisation grants which are directly related to Malmö's available tax resources or “tax base” i.e. the amount of tax revenue is adjusted according to demographic structure, special social features, climate and population density. Secondly, general government subsidies which may be used at Malmö's discretion.

The rate of income tax is set by the City Council in connection with the approval of the annual budget and is not subject to amendment by central government. Central government does, however, collect local taxation and then distributes it to the relevant local authority. The
rate of income tax for the year 2016 is 21.24 per cent., slightly higher than the national average of 20.75 per cent.

**External Indebtedness**

It is a goal for Malmö to maintain a balanced budget. Over the past two decades Malmö has been debt-free and investments have been financed using Malmö’s own funds. Also investments in certain group companies have to some extent been financed without external debt. However, in the light of Malmö’s expansion plans, Malmö has centralised its financing and inter alia (i) partly finances future capital expenditure through external debt including through the issuance of securities under its Euro Medium Term Note Programme, and (ii) increases on-lending to city-owned companies.

**City-owned Companies**

A large proportion of Malmö's activities are conducted through wholly or partly owned limited liability companies which are independent legal and economic units. The exercise of authority or other statutory administration of local government matters may, as a rule, not be delegated to a city-owned company. Moreover, the object of the companies, as stated in their respective articles of association, must remain within the limits of local government competence. In the case of companies which also engage in commercial operations, activities must not be speculative or favour any individual citizens or specific group of citizens. Malmö’s two principal city-owned companies are the Malmö housing company (MKB Fastighets AB) and the Malmö parking facility company (*Malmö kommuns Parkerings AB*).

Malmö’s consolidated financial statements as of 31 December 2015 include the following companies:

<table>
<thead>
<tr>
<th>Category</th>
<th>Company Name</th>
<th>Malmö Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>MKB Fastighets AB (Residential Real Estate Company)</td>
<td>100 per cent.</td>
</tr>
<tr>
<td>Industrial</td>
<td>Copenhagen Malmo Port AB (Port and Terminal Operation Company)</td>
<td>27 per cent.</td>
</tr>
<tr>
<td></td>
<td>Sydvatten AB (Water Distribution Company)</td>
<td>34 per cent.</td>
</tr>
<tr>
<td></td>
<td>Sysav AB (Waste Refinery Company)</td>
<td>46 per cent.</td>
</tr>
<tr>
<td>Service</td>
<td>Malmö kommuns Parkerings AB (Parking Facility Company)</td>
<td>100 per cent.</td>
</tr>
<tr>
<td></td>
<td>Vagnparken i Skåne AB (Vehicle Rental and Fleet Management)</td>
<td>100 per cent.</td>
</tr>
<tr>
<td></td>
<td>VA-Syd (Waste and Waste Water Operations)</td>
<td>70 per cent.</td>
</tr>
<tr>
<td></td>
<td>Medeon AB, (Science Park for growth companies in Life</td>
<td>60 per cent.</td>
</tr>
<tr>
<td>Science</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Minc i Sverige AB (hub for entrepreneurs, innovators and investors)</td>
<td>60 per cent.</td>
<td></td>
</tr>
<tr>
<td>Räddningstjänst Syd (Fire Brigade &amp; Accident prevention)</td>
<td>20.6 per cent.</td>
<td></td>
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<tr>
<td>Kommunassurans Syd Försäkrings AB (assurance company)</td>
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<tr>
<th>Culture</th>
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<tr>
<td>Malmö Live Konserthus AB (Malmö Live Concert Halls incl. Malmö Symphonie Orchestra)</td>
<td>100 per cent.</td>
</tr>
<tr>
<td>Malmö Stadsteater AB (Dramatic theatre ensemble)</td>
<td>100 per cent.</td>
</tr>
</tbody>
</table>

In addition to the companies listed above, Malmö is the sole or part-owner of a number of other smaller companies. All of Malmö’s wholly-owned companies are fully funded through Malmö’s Internal Bank. VA-Syd and Räddningstjänst Syd are also funded through the Internal Bank.

MKB Fastighets AB (MKB) is rated AA by Standard & Poor's Credit Market Services Europe Limited. The objective of the housing company MKB is to own, manage and let out apartments. MKB is a significant player on Malmö’s housing market and owns 33 per cent. of the rental market share in Malmö. Out of the total housing stock in Malmö, the company owns 15 per cent. of the market share. In 2015, the housing stock amounted to SEK 9.3 billion in book value. The market value is estimated at around SEK 28.1 billion. MKB aims to build around 500 new homes a year. MKB currently owns approximately 23,600 flats and 1,100 commercial units. In 2015, 505 apartments were built and at the turn 2015/2016 there were 920 apartments under construction. MKB always strive to build cost-effectively, sustainably and with high quality. In 2015, MKB had a turnover of SEK 2.0 billion.

**Recent developments**

Net profit for the year ended 31 December 2015 was SEK 563 million and thus the full deficit from 2014 can be restored. Regulations regarding municipal budgetary performance state that deficits from one year must be restored by sufficient surplus within the following three years. In addition, it is recommended that SEK 185 million be allocated to the profit equalization reserve.

The economic development for the year has entailed the following:

- That the municipality’s targets for economically sustainable development have been reached.
- That the municipality’s interest-bearing net liability was reduced by SEK 26 million to SEK 550 million.
- That more than half of the year’s investments and land readjustments could be financed with cash flows from the net operating activities.
**Immunity**

Legal proceedings may be brought against Malmö in Sweden and neither it nor any of its assets enjoy any rights of sovereign or other immunity from suit or judgement. Notwithstanding the above, attachment or enforcement of a judgement against the assets of a Swedish municipality may be restricted. The extent of such restrictions does not follow from statutory law and has not been tried by Swedish courts in modern judicial practice. However, the prevailing view in the legal doctrine is that public utilities or assets required for the performance of public service may not be subject to enforcement or attachment.

**Business and profile areas**

Malmö's main business types are private services, retail and wholesale operations, logistics, manufacturing and construction, but there are also a number of renowned companies in biotechnology and medicine, IT and digital media. The City of Malmö focuses on a number of profile areas, where Malmö's strengths become more prominent, particularly concerning job opportunities and growth:

- New Media
- Life Science
- The hospitality industry
- Cleantech
- Trade
- Logistics
- Head Offices

**Regional development and opportunities**

A wide range of international contacts and an innovative business climate afford the expanding Öresund/Copenhagen-Malmö region many business opportunities. The region is popular for companies working in the ICT (Information, Communication and Technology), food, science and logistics sectors. The region is also known as Medicon Valley, one of the world's leading clusters in biotechnology with more than 41,000 employees and 5,000 clinical researchers. A number of companies have headquarters or research centres in or near Malmö including Subaru, Duni, Mercedes-Benz, Strålfors, Vestas, Epsilon, Findus, Oriflame, Sony Ericsson, Tetra Pak Thule and Acadia.
SELLING RESTRICTIONS

1 General

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

2 United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in accordance with Regulation S. Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that neither it, nor any of its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

3 The United Kingdom

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

(a) 

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise
constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

4 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; (the “FIEA”). Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other applicable laws, regulations and ministerial guidelines of Japan.

5 Sweden

Each Dealer confirms and agrees that, to the extent it intends to make an offer of the Notes, it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument).

6 Denmark

Each Dealer confirms and agrees that, to the extent it intends to make an offer of the Notes, it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in
a requirement to prepare a prospectus pursuant to the provisions of the Danish Securities Trading, etc. Act (Dk. Værdipapirhandelsloven), as amended and/or replaced from time to time, and Executive Orders issued thereto.

7  **Norway**

Each Dealer confirms and agrees that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes denominated in NOK within Norway or to or for the account or benefit of persons domiciled in Norway (i) unless the regulation relating to the offer of NOK denominated Notes and the registration in the Norwegian Securities Depository ("VPS") has been complied with, and (ii) except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Norwegian Securities Trading Act no. 75, 2007 (Nw. Verdipapirhandelovnen).
FORMS OF NOTES

FORM OF MULTICURRENCY GLOBAL NOTE

(Interest Bearing/Discounted)

CITY OF Malmö
(Municipality in the Kingdom of Sweden)

No: ______________________ Series No.: _____________________

Issued in London on:___________ Maturity Date¹: ______________

Specified Currency:___________ Nominal Amount: ______________

(words and figures if a Sterling Note)

Reference Rate: ___________ month Interest Payment Dates²: __________

LIBOR/EURIBOR[OTHER]³: __________

Reference Rate Screen Page⁴: __________ Interest Determination Date⁵: __________

Relevant Time⁶: __________ Day Count Fraction⁷: __________

Fixed Interest Rate⁸: __________ Margin⁹: __________ %

___________ % per annum

Calculation Agent¹⁰: __________

¹ Not to be more than 364 days from (and including) the Issue Date.
² Complete for interest bearing Notes.
³ Delete as appropriate. The reference rate will be LIBOR unless this Global Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.
⁴ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR, EURIBOR, is specified. If the specified Reference Rate is LIBOR or EURIBOR leave blank as these provisions are covered in Condition 11.
⁵ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR, EURIBOR, is specified. If the specified Reference Rate is LIBOR or EURIBOR leave blank as these provisions are covered in Condition 11.
⁶ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR, EURIBOR, is specified. If the specified Reference Rate is LIBOR or EURIBOR leave blank as these provisions are covered in Condition 11.
⁷ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR, EURIBOR, is specified. If the specified Reference Rate is LIBOR or EURIBOR leave blank as these provisions are covered in Condition 11.
⁸ Complete for fixed rate interest bearing Notes only.
⁹ Complete for floating rate interest bearing Notes only.
¹⁰ Complete for floating rate interest bearing Notes only.
1. For value received, CITY OF MALMÖ (the “Issuer”) promises to pay to the bearer of this Global Note on the Maturity Date the Nominal Amount, together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issue and paying agency agreement dated 13 September 2016 (as amended, restated or supplemented from time to time, the “Agency Agreement”) between the Issuer and the issue and paying agent referred to therein, a copy of which is available for inspection at the offices of Deutsche Bank AG, London Branch (the “Paying Agent”) at Winchester House, 1 Great Winchester Street, London EC2N 2DB, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Global Note denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Union.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in US Dollars, payments shall be made by transfer to an account denominated in US Dollars in the principal financial centre of any country outside of the United States that the Issuer or Agent so chooses.

2. This Global Note is issued in representation of an issue of Notes in the above-mentioned aggregate Nominal Amount.

3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Sweden or any political subdivision or taxing authority of or in any of the foregoing (“Taxes”) unless the withholding or deduction of Taxes is required by law. In that event, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:

(a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or

(b) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days.
4. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

“Payment Business Day” means any day other than a Saturday or Sunday which is either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively) or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

“TARGET Business Day” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published in accordance with paragraph 11(f) not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

5. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least pari passu with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law.

6. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.

7. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):

(a) if one or both of Euroclear and Clearstream, Luxembourg or any other relevant clearing system(s) in which this Global Note is held at the relevant time is closed for business for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or if any such clearing system announces an intention to, or does in fact, permanently cease to do business; or

(b) if default is made in the payment of any amount payable in respect of this Global Note.
Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issue Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the above-mentioned Specified Currency in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

8. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 13 September 2016 (as amended, re-stated or supplemented as of the date of issue of the Notes) entered into by the Issuer).

9. If this is an interest bearing Global Note, then:

(a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;

(b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment; and

(c) if no Interest Payment Dates are specified on the face of the Global Note, the Interest Payment Date shall be the Maturity Date.

10. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

(a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the above-mentioned Fixed Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and

(b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “Interest Period” for the purposes of this paragraph.

11. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

(a) in the case of a Global Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each
successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note:

“LIBOR” shall be equal to the rate defined as “LIBOR-BBA” in respect of the Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the “ISDA Definitions”)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a “LIBOR Interest Determination Date”), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Note in relation to the Reference Rate; and

“London Banking Day” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

(b) in the case of a Global Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note, “EURIBOR” shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “EURIBOR Interest Determination Date”) as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Global Note in relation to the Reference Rate;

(c) in the case of a Global Note which specifies any other Reference Rate on its face, the Rate of Interest will be the aggregate of such Reference Rate and the Margin (if any) above or below such Reference Rate. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the Day Count Fraction specified hereon. As used in this Global Note, the Reference Rate shall be equal to the Reference Rate which appears on the relevant Screen Page as at the Relevant Time on the Interest Determination Date as each such term is specified hereon;

(d) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “Amount of Interest”) for the relevant Interest Period. “Rate of Interest” means the rate which is determined in accordance with the provisions of paragraph 11 (a), (b) or (c) (as the case may be).
The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

(e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “Interest Period” for the purposes of this paragraph; and

(f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 7, will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).

12. If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount or Minimum Redemption Amount (as applicable) shall be not less than £100,000 (or the equivalent in any other currency).

13. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global Note as follows:

(a) if this Global Note is denominated in Australian dollars, New Zealand dollars, or Japanese Yen, at least two Business Days prior to the relevant payment date;

(b) if this Global Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and

(c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, “Business Day” means:

(i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and

(ii) in the case of payments in euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency.

14. This Global Note shall not be validly issued unless manually authenticated by the Paying Agent as issue agent.
15. This Global Note and any non-contractual matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Note (including a dispute relating to any non-contractual matters arising out of or in connection with the Global Note and a dispute regarding the existence, validity or termination of this Global Note). The parties to this Global Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Business Sweden of 5 Upper Montagu Street, London W1H 2AG, United Kingdom or, if different, its registered office for the time being as its agent for service of process in any proceedings before the English courts in connection with this Global Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 15 does not affect any other method of service allowed by law.

The Issuer irrevocably and unconditionally, agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Global Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

16. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by Signed on behalf of:

DEUTSCHE BANK AG, CITY OF MALMÖ LONDON BRANCH

without recourse, warranty or liability and for authentication purposes only

By: By:

____________________  ____________________
(Authorised Signatory) (Authorised Signatory)
SCHEDULE
PAYMENTS OF INTEREST

The following payments of interest in respect of this Global Note have been made:

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<th>Date Made</th>
<th>Payment From</th>
<th>Payment To</th>
<th>Amount Paid</th>
<th>Notation on behalf of Paying Agent</th>
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FORM OF MULTICURRENCY DEFINITIVE NOTE
(Interest Bearing/Discounted)

CITY OF MALMÖ
(Municipality in the Kingdom of Sweden)

No: __________________ Series No.: __________________

Issued in London on:_________ Maturity Date:____________

Specified Currency:_________ Nominal Amount:____________

(words and figures if a Sterling Note)

Reference Rate:________month Interest Payment Dates:________

LIBOR/EURIBOR[OTHER]:________

Reference Rate Screen Page:________ Interest Determination Date:________

Relevant Time:________ Day Count Fraction:________

Fixed Interest Rate:________ Margin:_______ %

________ % per annum

Calculation Agent:________

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1 Not to be more than 364 days from (and including) the Issue Date.
2 Complete for interest bearing Notes.
3 Delete as appropriate. The reference rate will be LIBOR unless this Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.
4 Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR, EURIBOR, is specified. If the specified Reference Rate is LIBOR OR EURIBOR leave blank as these provisions are covered in Condition 8.
5 Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR, EURIBOR, is specified. If the specified Reference Rate is LIBOR OR EURIBOR leave blank as these provisions are covered in Condition 8.
6 Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR, EURIBOR, is specified. If the specified Reference Rate is LIBOR OR EURIBOR leave blank as these provisions are covered in Condition 8.
7 Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR, EURIBOR, is specified. If the specified Reference Rate is LIBOR OR EURIBOR leave blank as these provisions are covered in Condition 8.
8 Complete for fixed rate interest bearing Notes only.
9 Complete for floating rate interest bearing Notes only.
10 Complete for floating rate interest bearing Notes only.
1. For value received, **CITY OF MALMÖ** (the “**Issuer**”) promises to pay to the bearer of this Note on the Maturity Date the Nominal Amount, together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issue and paying agency agreement dated 13 September 2016 (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) between the Issuer and the issue and paying agent referred to therein, a copy of which is available for inspection at the offices of Deutsche Bank AG, London Branch (the “**Paying Agent**”) at Winchester House, 1 Great Winchester Street, London EC2N 2DB, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Note denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Union.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Sweden or any political subdivision or taxing authority of or in any of the foregoing (“**Taxes**”) unless the withholding or deduction of Taxes is required by law. In that event, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:

   (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or

   (b) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days.

3. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Note:

“**Payment Business Day**” means any day other than a Saturday or Sunday which is both (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign
currency deposits) in the relevant place of presentation, and (B) either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively) or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

“TARGET Business Day” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published in accordance with paragraph 8(f) not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

4. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least pari passu with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law.

5. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing hereon or notice of any previous loss or theft thereof) free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.

6. If this is an interest bearing Note, then:

(a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;

(b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment; and

(c) if no Interest Payment Dates are specified on the face of the Note, the Interest Payment Date shall be the Maturity Date.

7. If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:

(a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365
days at the above-mentioned Fixed Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and

(b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “Interest Period” for the purposes of this paragraph.

8. If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:

(a) in the case of a Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days.

As used in this Note:

“LIBOR” shall be equal to the rate defined as “LIBOR-BBA” in respect of the Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the “ISDA Definitions”)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day (as defined in the ISDA Definitions) as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Note in relation to the Reference Rate; and

“London Banking Day” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

(b) in the case of a Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note, “EURIBOR” shall be equal to EUR-EURIBOR-Telerate (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day (as defined in the ISDA Definitions) as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Global Note in relation to the Reference Rate;
in the case of a Note which specifies any other Reference Rate on its face, the Rate of Interest will be the aggregate of such Reference Rate and the Margin (if any) above or below such Reference Rate. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the Day Count Fraction specified hereon. As used in this Global Note, the Reference Rate shall be equal to the Reference Rate which appears on the relevant Screen Page as at the Relevant Time on the Interest Determination Date as each such term is specified hereon

the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “Amount of Interest”) for the relevant Interest Period. “Rate of Interest” means the rate which is determined in accordance with the provisions of paragraph 8 (a), (b) or (c) (as the case may be). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “Interest Period” for the purposes of this paragraph; and

the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).

9. If the proceeds of this Note are accepted in the United Kingdom, the Nominal Amount or Minimum Redemption Amount (as applicable) shall be not less than £100,000 (or the equivalent in any other currency).

10. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Note as follows:

(a) if this Note is denominated in Australian dollars, New Zealand dollars, or Japanese Yen, at least two Business Days prior to the relevant payment date;

(b) if this Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and

(c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, “Business Day” means:
(i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and

(ii) in the case of payments in euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency.

11. This Note shall not be validly issued unless manually authenticated by the Paying Agent as issue agent.

12. This Note and any non-contractual matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Note (including a dispute relating to any non-contractual matters arising out of or in connection with the Note and a dispute regarding the existence, validity or termination of this Note). The parties to this Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Business Sweden of 5 Upper Montagu Street, London W1H 2AG, United Kingdom or, if different, its registered office for the time being as its agent for service of process in any proceedings before the English courts in connection with this Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 12 does not affect any other method of service allowed by law.

The Issuer irrevocably and unconditionally, agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

13. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.
AUTHENTICATED by
DEUTSCHE BANK AG, CITY OF MALMÖ
LONDON BRANCH

without recourse, warranty or liability and for authentication purposes only

By: ______________________
   (Authorised Signatory)

By: ______________________
   (Authorised Signatory)
SCHEDULE

PAYMENTS OF INTEREST

The following payments of interest in respect of this Note have been made:

<table>
<thead>
<tr>
<th>Date Made</th>
<th>Payment From</th>
<th>Payment To</th>
<th>Amount Paid</th>
<th>Notation on behalf of Paying Agent</th>
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