

To the management board of Swedbank AB

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REQUEST FOR INFORMATION

We are writing to you as the 100% shareholder in your Estonian subsidiary, Swedbank AS. The issues presented in this notice have been presented to Swedbank AS on several occasions, who regrettably have refrained from providing any meaningful answers to the questions presented to them. As of late, Swedbank AS have refrained from providing any answers, referring to ongoing court disputes in Estonian courts. We would like to point out, however that the issues outlined in this letter and the questions presented in connection with said issues are not under dispute and/or pertinent to the outcome of the said court disputes.

This notice has been filed regarding the actions and management of two subsidiary companies of Swedbank AS – Nord Hill Real Estate AS and Nord Hill Land Portfolio OÜ. The two companies mentioned are Estonian entities that were declared bankrupt in 2015. The main activities of the said companies were, respectively, organizing various bond issues (Nord Hill Real Estate AS) and issuing of bonds related to several real estate transactions in Romania (Nord Hill Land Portfolio OÜ). This notice has been filed in the interests of the clients of Swedbank AS who are of the opinion that Swedbank AS has, on its group level, seriously infringed the rules regulations pertinent to Swedbank. The said infringements are, *inter alia*, the non-disclosure, non-preservation and non-publication of key information pertinent to the rights of the clients. The said infringements have seriously damaged the interests of the clients of Swedbank AS.

The key facts of this notice are based on various confirmations issued by Swedbank, which are not disputed and their veracity is not based on ongoing court disputes. The said facts are, *inter alia*, the following: i) On 17 October 2011 Swedbank AS acquired sole ownership in Nord Hill Real Estate AS and through it the sole ownership in Nord Hill Land Portfolio OÜ (the bond issuer) and in its Romanian subsidiary company, Jaagupi SRL; ii) Swedbank do not possess or have not preserved key decisions, analysis, evaluations and other internal documents relevant to the bond issue. Pursuant to the data provided in the Estonian Commercial Register the daughter companies of Swedbank have not submitted any annual financial reports to the Register since their acquisition by Swedbank. Nor has Swedbank reflected these companies as its subsidiaries in their respective financial reports.

The petitioners have reason to believe that Swedbank have, since 17 October 2011, deliberately concealed their ownership in Nord Hill Real Estate AS; Nord Hill Land Portfolio OÜ and in Jaagupi SRL. The petitioners have also reason to believe that Swedbank have deliberately failed to comply with the mandatory reporting obligations to the competent authorities and have confirmed that the key documents related to

the bond issue have not been preserved, since they would, in all likelihood, uncover the long-term and continuous infringements by Swedbank related to the gross conflict of interest in providing banking services to their clients, as well as non-compliance with their due diligence obligations.

I Key facts and reasons of this notice

1. On 9 March 2006 Nord Hill Real Estate AS (hereinafter „NHRE“) and Swedbank signed an „Investment mediation and information transfer agreement“ (hereinafter „the Agreement“ ; see Annex 1). The purpose of the agreement was to agree on the provision of bonds and information related to the bonds issued by the NHRE in the banks' Personal Property Management Department. The bank was entitled to receive a fee for the provision of an intermediary service to the NHRE, the amount of which depended on the amounts paid by the clients of Swedbank to acquire the bonds purchased by Swedbank on their clients' behalf.
2. At the time of the signing of the Agreement the head of the Private Banking Department of Swedbank, Mrs. Kristel Meos, was a member of the supervisory board of NHRE (i.e. the other party to the Agreement; from 24 January 2006 until 2 April 2009). NHRE was therefore in fact a person directly connected to the bank, to whom the bank promised to invest its clients' money in the bonds issued together by the bank and NHRE (through its subsidiary company). Pursuant to the Agreement the bank was entitled to receive a fee for investing their clients' money in the bonds, the amount of which was not dependent on the profitability/non-profitability of the investment for their clients.
3. Both parties actively started to perform the Agreement. The leading figure in this process for both companies was Kristel Meos (an employee of the bank at the time).
4. Pursuant to the supervisory board resolution of NHRE of 3 October 2006 the investment program with the purpose of acquisition of real estate in various parts of Romania was commenced. For this purpose a subsidiary company (Nord Hill Land Portfolio OÜ, hereinafter „NHLP“) was founded (on 23 October 2006).
5. The interest and eagerness of the bank can be concluded from the fact that already on 18 December 2006, a certificate (confirmation of good standing) was issued to the NHLP, pursuant to which: *„Hereby Hansabank confirms that IPC Romanian Land Portfolio OÜ is a client of our bank. Due to long-term partnership and co-operation experience we consider them as honest and trustworthy company. They have not failed to meet any of their commitments. We would not hesitate to recommend IPC Romanian Land Portfolio OÜ to you as a client or a business partner.“* (see Annex 2). At the time of the issuing of this certificate NHLP had not carried out any transactions or deals and could not therefore have been a long-term partner of the bank. The deliberate provision of false information shows the special interest of the bank in the carrying out and later profiting from the bond issue. This can be considered as a

gross misuse of the banks' trust in creating artificial trust in a company with no assets.

6. On 29 November 2006 the „General Terms and Conditions of the Investment Program“ (hereinafter „**the General Terms**“) were approved with the participation of the banks' employee, pursuant to which the goal of the investment program was to offer the investors a profit on the passive growth of value of the real estate acquired in Romania during the next four years. The investment policy stated that: „the investments involved shall be used to acquire real estate in Romania. Special focus is on lands which can be expected to significantly rise in value during the next 3-4 years. Special focus is also on agricultural lands, which can be expected to rise in value after the opening of EU agricultural support. At this time no lands had been picked out or had been evaluated. All the key decisions, including the suitability of the lands, had to be made (and were in fact made) by the supervisory board of the NHRE (with the active participation of the bank). Without the approval of the supervisory board no bond issues and/or land acquisitions could not have been made.
7. Although no relevant suitability evaluations existed at the time, NHLP (as pursuant to the relevant supervisory board decision of the NHRE) issued a total of 8467 bonds (on 6 separate bond issues) with the total value of 8 467 000 EUR. The bonds were issued for a fixed term and should have been redeemed by 14 January 2011 at the latest.
8. More than half of all the bonds issued were acquired by Swedbank, largely on behalf of its investment portfolio management clients (i.e. discretionary investment management). The portfolio management service was at the time (and still is) one of the services provided by Swedbank under its private banking unit. This can be considered as the provision of banking services to its clients. The best interests of the banks' clients should have been made possible through the fact that the bank was fully aware of the creation of the bond as a product of the investment portfolio and through its employee was directly able to determine its fate. In this situation the best possible investment outcome should have been guaranteed to the banks' clients.
9. In fact, NHLP did not acquire any real estate in Romania. Instead, pursuant to the resolution of the supervisory board of NHRE the money was given as a loan (with an annual interest of 7%) to its assetless Romanian subsidiary company, SC Jaagupi SRL (hereinafter „**Jaagupi SRL**“).
10. The bank nor the supervisory board of the NHRE (with banks' employee as its member) did not conduct any prior relevant analysis or evaluations before investing the monies in the bonds and loaning the monies without any securities to Jaagupi SRL, although the bank was fully aware that it was providing banking services to its clients and must therefore be accordingly diligent. Despite the fact the clients of the bank have repeatedly asked for information, the bank has failed to provide any evidence, which the decisions of the bank regarding the investment of its clients' monies and holding the bonds in the clients' portfolios were based on. The bank has confirmed to various courts that such documents have not been preserved.

11. The bank repeatedly issued false, untrue and unconfirmed information to its clients regarding the status of the investment/bonds. In 2008 and 2009 the investors (including the banks' own clients) were presented with overviews of the value of the real estate portfolio, in which the following information was presented:
 - On 31 January 2008 the investors were presented with a monthly report, according to which the real estate portfolio was valued at 9 619 000 EUR and the annual profit rate of the bonds was presented as 19,9%,
 - On 31 October 2008 (i.e. at the peak time of the global real estate market recession) the investors were presented with a monthly report, according to which the real estate portfolio was valued at 12 196 985 EUR and the annual profit rate of the bonds was presented as 20,0%;
 - On 31 January 2009 the investors were presented with a monthly report, according to which the real estate portfolio was valued at 10 560 985 EUR and the annual profit rate of the bonds was presented as 10,65% (the monthly report entailed a notice by Swedbank, which stated that: *"In the opinion of Swedbank the fair value of the bonds of the IPC Romanian Land Portfolio OÜ is, as of 31 December 2008, their nominal value"*).
 - On 28 February 2010 the investors were presented with a monthly report, according to which the real estate portfolio was valued at 8 165 000 EUR and the annual profit rate was presented as -2,6% (i.e. loss rate).
12. On 30 March 2010 the investors were suddenly notified that *"the real estate market has been frozen since the fall of 2008, there are currently no land transactions"*. The investors were informed that the investment program must be extended until 14 January 2014 and additional monetary assets must be gathered. It was further noted that this extension was influenced by Swedbank, who represented 42% of the total votes of the investors. It is unclear that if the real estate market was indeed frozen since the fall of 2008 and if there were indeed no real estate transactions, then how and on what grounds were the investors notified of the significant growth in the value of the real estate portfolio in 2009? All of this took place with the active participation and under the watchful eye of a professional investment services provider (i.e. Swedbank).
13. On 21 July 2010 the head of the asset management division of Swedbank sent a letter to NHLP, in which the bank informed that they shall provide a consent on their clients' behalf to extend the term of redemption of the bonds. In the management board resolution of the NHLP of 1 September 2010 it has been noted that 74,22% of all the investors with voting rights approved the extension of the term of redemption of the bonds at the relevant vote which ended on 31 August 2010. Majority of the yes-votes were therefore provided by the bank (representing their portfolio management clients under a relevant agreement). The term of redemption of the bonds was therefore extended until 14 January 2013. The reasoning behind these decisions has never been

- shared with the banks' clients, nor have the bank given any prior relevant analysis, evaluations etc. to their clients. The bank took it upon themselves to vote on the clients' behalf as the bank themselves saw fit.
14. On 5 April 2011 the members of the management board of NHLP expressed their wish to withdraw from the management of NHLP. Pursuant to this notice, NHLP was considered insolvent and the management board was therefore obliged to file for bankruptcy (as pursuant to article 180 section 5¹ of the Estonian Commercial Code).
 15. On 17 October 2011 IPC Romania OÜ (the parent company of NHRE) and N Hill Valduse OÜ, an Estonian entity, signed an agreement for the transfer of 100% shares in NHRE. The sole shareholder of N Hill Valduse OÜ (Estonian commercial register code: 12171600) was Varul Law Firm¹, who holds the shares on the request and on behalf of Swedbank AS. This fact was later confirmed by Swedbank themselves to the press, as well as their attorney at the Tallinn Circuit Court hearing of 1 November 2017. The relevant quote: **"The court ask the representative of the defendant (Swedbank AS): "Did Swedbank in the fall of 2011 acquire sole ownership in Nord Hill Real Estate?" K. Lember (representative of Swedbank AS) replies: "Yes. Swedbank did indeed acquire this ownership on 17 October 2011."** This fact has not been disputed by Swedbank AS since. (Annex 3: extract from the minutes of the court hearing).
 16. The confirmation given by Swedbank to the court is in conjunction with Estonian law, which clearly states that the rights and obligations, which derive from the activities of the mandatary, belong to the mandator, not the mandatary. Pursuant to the Estonian Commercial Register the sole shareholder of N Hill Valduse OÜ is Varul Law Firm (TGS Baltic Law Firm as of today), who holds the said shares pursuant to the mandate given by Swedbank. This in turn means that the actual owner of N Hill Valduse OÜ is Swedbank themselves, as they have also confirmed.
 17. **Since 17 October 2011 Swedbank AS have therefore been the 100% owner of an assetless company (NHLP) and at the same time have, for years, represented their portfolio management clients in claiming their rights/claims from the same company (NHLP), which is actually a subsidiary of Swedbank. This constitutes a serious conflict of interest.**
 18. Since the monies of the investors (some of whom were the banks' own clients) have been invested in unsuitable real estate, which have been virtually impossible to sell, the bank actively participated in extending the term of the redemption of the bonds several times, the last of which was set at 31 March 2015. The bulk of the investors were represented by Swedbank AS, who had full authority under the portfolio management service to vote on behalf of their clients as the bank saw fit. The votes given by the bank were crucial for adopting the necessary 2/3 majority vote to extend the date of redemption of the bonds several times. This enabled the bank to extend the monetary obligations of their 100% subsidiary company (NHLP) for several years and in

¹ TGS Baltic Law Firm as of 2018

addition brought about the expiration of several legal complaints of the banks' clients, including investment fraud, misuse of trust etc.

19. After the last of the bond redemption dates had passed, Swedbank AS tried once more to extend the redemption term again, which failed. Despite the active resistance of the bank, on 13 August 2015 the management boards of both NHLP and NHRE filed for bankruptcy to the Harju County Court.
20. NHLP was declared bankrupt via Harju County Court ruling of 12 October 2015. The said court ruling, which has since entered into force, clearly stated that the main reasons for insolvency were gross errors in management, which constituted in, *inter alia*, loaning unsecured money to a Dutch subsidiary, which acted as a mediatory SPV between Nord Hill Land Portfolio OÜ and Jaagupi SRL², deliberately misleading investors regarding the actual value of the real estate portfolio and the breach of terms of the bond issue. The court ruled that NHLP in fact became insolvent in late 2007. Swedbank have never disputed this court ruling.
21. NHRE was declared bankrupt via Harju County Court ruling of 22 December 2015. In the said court ruling the court made several references to the report composed by the interim bankruptcy trustee, which stated that one of the key reasons for insolvency were the unsuccessful business activities of their subsidiary company (NHLP) in Romania. In the opinion of the interim bankruptcy trustee the bankruptcy petition was not filed in due time. Swedbank have never disputed this court ruling.
22. Swedbank AS, having been the sole shareholder of NHRE (the organizer of the bond issue), NHLP (the bond issuer) and Jaagupi SRL (the recipient of unsecured loan) since 17 November 2011, were fully aware that the companies were in fact insolvent since late 2007, but failed to make any necessary steps to determine possible infringements/management errors of the said companies in due time and failed to protect the interests/claims of the banks' clients accordingly. Instead Swedbank, as the sole owner of all the said companies, decided to infringe the reporting duties (to competent authorities) deriving from Estonian law. It can therefore be claimed that Swedbank was grossly negligent as both the owner of the said companies as well as the provider of banking services. Furthermore: **since the acquisition of sole ownership in NHRE, NHLP and Jaagupi SRL by Swedbank, none of the said companies have not filed any annual financial reports to the Estonian Commercial Register!**
23. The petitioners have reason to believe that Swedbank have in fact been acting in conflict of interest since 2006 (i.e. since the signing of the Agreement) until the present day. The grounds for such suspicions derive from all the facts mentioned hereinabove put together, and in addition, from the fact that the Estonian Financial Supervision Authority have found the so-called Chinese wall related to avoiding in a conflict of interest and internal structure to be missing at the time when Swedbank decided on the organizing of the bond issue,

² The said Dutch company was allegedly founded to optimize taxes. Later the said undertaking was liquidated.

investing the investors' monies in worthless real estate and at the same time providing banking services to its clients. (See also <http://www.pensionikeskus.ee/uudis/swedbank-huvide-konfliktis/>).

II The bankrupt companies (NHRE, NHLP) have belonged to Swedbank group since 17 October 2011 and should have therefore been accordingly reflected in the annual consolidated financial reports of Swedbank group

24. Since Swedbank confirmed at the Tallinn Circuit Court hearing of 1 November 2017 that since 17 October 2011 Swedbank has been the soled shareholder of NHRE, then this fact must be regarded as undisputed. Swedbank's activities must therefore be evaluated from 17 October 2011, i.e. since Swedbank have been the sole shareholder of NHLP, NHRE and Jaagupi SRL from that date onwards and can therefore be considered as a person who has control over these undertakings as per article 4 of the EU Parliament and Council directive no 2004/39/EU, article 1 of the seventh directive of 1983 no 83/349/EU and EU Parliament and Council ruling no 575/2013. **The internal group structure of the Nord Hill companies has therefore been the following since 2011:**



25. The petitioners have reason to believe that Swedbank AS have failed to notify the Estonian Financial Supervision Authority of these facts. None of the said companies (NHLP, NHRE, Jaagupi SRL) have not submitted any annual financial reports, from which their creditors (including the banks' own clients) could have received information about the actual financial situation and future perspectives of the companies. By doing so Swedbank violated the relevant reporting duties deriving from Estonian law.

Swedbank have failed to present true information in their annual consolidated financial reports about all the companies belonging to Swedbank group, which include the non-reflection of the Nord Hill companies. Nor have the Nord Hill companies been

reflected as connected undertakings. Swedbank have therefore deliberately hidden the fact that they are, since October 2011, the sole owners in the Nord Hill companies.

Despite that the management board of NHLP had notified Swedbank of the insolvency of both NHLP and NHRE and of the need to file for bankruptcy, the bank (as the 100% owner of both companies) ignored such obligations (where the obligations of the companies were permanently exceeding their assets) and decided to take on even more obligations, which constituted in signing a very expensive loan agreement (with an annual interest rate of 30%) for 220 000 EUR. The said loan was secured by mortgaging the majority (and the best) of the lands in Romania (with a total area of 24,1 hectares, i.e. 52% of the total area of the lands acquired in Romania with the investors' monies). The loan money was not used to re-arrange accounting, compiling and auditing financial reports etc. but was rather used to pay off the previous management in a situation where the new owner with the necessary *know-how* (i.e. Swedbank) could and should have discovered gross management errors by the previous management. Swedbank AS claimed that the loan was needed to win the project "some extra time". In reality this unnecessarily expensive loan enabled Swedbank and its subsidiary companies to win additional time to avoid filing for bankruptcy, although the court has later determined that both companies were insolvent already by late 2007.

Since it is undisputed that Swedbank are the sole shareholder of NHRE and NHLP since 17 October 2011, it is also undisputed that after 17 October 2011 the clients of Swedbank had a claim against Swedbank themselves (i.e. against one of their group subsidiaries). This fact is key since the extensions of the term of the bond redemption dates, which were approved by Swedbank every time, also brought about the extension of the claims of the banks' clients against the banks' own subsidiary, which was in fact insolvent since late 2007, a fact that Swedbank must and should have known. This can be considered as serious conflict of interest, which the bank should have made known to its clients and should have referred from voting for extension of the bond redemption dates without their clients' prior consent. The activities of the bank in extending the bond redemption dates constituted in the following:

- On 10 January 2013 an employee of the bank sent a notice to the management of NHLP indicating that the bank (representing their portfolio management clients with full authority) wished for the bond redemption date to be extended until 31 March 2015;
- at the general meeting of the bond owners of 17 March 2015 Swedbank once again (acting on behalf of their portfolio management clients) voted for the extension of the bond redemption date (for an additional period of 2 years) but failed to muster the necessary 2/3 majority for this to be passed. The extension failed to be passed since majority of the investors, whom the bank did not represent, did not trust the reasoning given by the bank for the need to extend the bond redemption term again;
- In the summer of 2015 the banks' employee once again tried to call up the investors to extend the bond redemption date for a further two years. The

banks' employee requested the management of NHLP to send a letter to the investors, saying that: "The companies are completely sustainable and the reasons for extending the bond redemption date (which passed on 31 March 2015) are justified".

26. **The bank still exercise their authorization deriving from the portfolio management agreements to represent their clients in presenting claims against their own group company, in which the bank is 100% shareholder (NHLP). In other words, the bank represent their clients against the bank themselves.**
27. An insolvent company (found to be insolvent since late 2007 as per the Harju County Court ruling) therefore belongs to Swedbank group since 17 October 2011. The court has ruled that the management failed to file for bankruptcy in due time. The court has further ruled that the main reasons for the insolvency of the said group company were gross errors in management and misleading the creditors/investors in the real value of the assets of the company. During the last 7 years the bank have refrained from disclosing to the investors (including the banks' own clients) that the debtor, whose obligations amount to roughly 9 million EUR, that the said company in fact belongs to the bank.

III Swedbank have either failed to preserve documents pursuant to articles 13 (6) and 25 (2) of the EU directive no 2004/39/EU (MiFID) and articles 5 and 51 of the EU Commission directive no 2006/73/EU, based on which the bank participated in the investment program and acquired bonds on behalf of its clients (including relevant financial and securities analysis) or such analysis have never been carried out in accordance with relevant laws and internal rules of procedure

28. Harju County Court made a ruling on 22 September 2016 (in civil matter no 2-15-12076), in which the court demanded Swedbank AS to present the following documents:
 - i) All internal decisions of Swedbank AS, which were relevant to the signing of the Agreement (of 9 March 2006 between Swedbank AS³ and Nord Hill Real Estate AS⁴ "Investment mediation and information transfer agreement") and its annex signed on 20 February 2007;
 - ii) All internal decisions of Swedbank AS, which were relevant to the appointment of an employee of Swedbank to the supervisory board of NHRE;
 - iii) All internal decisions of Swedbank AS, which were relevant to the participation in the NHLP bond issue of 2007 and noting of the bonds at the said bond issue.

³ Formerly known as Hansapank AS (as of 2006)

⁴ Formerly known as IPC Real Estate AS (as of 2006)

The banks' in-house lawyer Raimo Juurikas replied on 10 October 2016, that: "The documents mentioned in clauses 2.1 – 2.3 of the ruling, which originate from 2006 and 2007, have not been preserved by Swedbank AS". (see Annex 4).

29. The same documents were also demanded by the bankruptcy trustee of NHLP in civil matter no 2-16-4918. At the Tallinn Circuit Court hearing of November 1st 2017 the court asked the representative of the bank: *"At the County Court proceedings the issue, that the defendant must present their internal documents, which were relevant to the appointment of the banks' employee in the supervisory board of NHRE, had arisen. You claimed that you do not possess such documents. Can you make this believable in some way?"*. The representative of Swedbank AS, attorney-at-law Kadri Lember replied: *"The key reason is that a lot of time has passed since then and the bank are not required to preserve their internal documents for any length of time. For such reasons these documents have not been preserved"*.
30. Estonian Supreme Court have ruled that documents, which the bank themselves claim have not been preserved, cannot be required to be presented. The defense of the banks' own clients has been therefore seriously hampered.
31. On 6 February 2017 Bond Recovery OÜ (who has brought the investors together) filed a claim to the Harju County Court against Swedbank AS in damages in the sum of 1,7 million EUR. The claim is based on the fact that Swedbank AS have violated their due diligence duties in providing investment services to their clients (which included the acquisition and management of the bonds on their clients' behalf), in not avoiding the conflict of interest and in not fulfilling the requirement to inform the investors of these matters. During the court proceedings the claimant (Bond Recovery OÜ) petitioned the court to collect evidence and to require the bank to present all the investment and financial analysis, which were relevant to the investment decisions, including the acquisition of the bonds and later the repeated extensions of the bond redemption dates. **The representative of Swedbank AS replied to the court that such analysis do not exist or have not been preserved.**
32. In can therefore be claimed that Swedbank AS have not preserved the key documents which should entail the reasons and grounds upon which: a) Swedbank AS decided to participate in the management of the investment program; b) adopted investment decisions on behalf of the banks' clients; c) managed their clients' investments. All these facts point to the severe shortcomings or breach of the banks' internal rules of procedure. Pursuant to articles 13 (6) and 25 (2) of the MiFID directive and articles 5 and 51 of the EU Commission directive no 2006/73/EU an investment entity is required to preserve all the data of their transactions and services in a manner and volume which enables the competent supervision authority to evaluate, whether the activities of the investment entity are in accordance with obligations deriving from the MiFID directive, including obligations towards its clients. The minimum requirement of data preservation is 5 years as of the time of the transaction and at least for the duration of the client relationship. These are

the minimum requirements for data preservation. The requirement of data preservation may be longer, depending on the nature of the transaction or the financial instrument. This is necessary for the competent authority to exercise supervision as pursuant to MiFID directive. The competent authority must be allowed to access all the key steps of a transaction without significant effort. This also entails the documentation of the relevant financial and securities analysis conducted prior to the investment decisions. The representative of Swedbank AS has claimed that such documents have not been preserved, since a long time has passed.

33. The petitioners further point out that Swedbank AS continue to provide investment services related to Nord Hill Land Portfolio OÜ investment program to this day. The bonds are yet to be redeemed, they remain held in the clients' investment portfolio and the bank themselves represent some of these clients on the same authority which the bank exercised to note, acquire and manage bonds on their clients' behalf. Swedbank AS therefore must still preserve all the relevant documentation.
34. The petitioners have also reason to believe that the bank have either not fulfilled their diligence duties and have failed to compose these documents or the bank have found that such documents may be detrimental to them and have destroyed them. All this in a situation where the bank is the 100% owner of the bond issuer (and therefore the debtor).

For the reasons stated hereinabove, the clients of Swedbank AS request the management board of Swedbank AB to provide their reply to the following questions:

- 1) Which documents are required by the internal procedure rules of Swedbank AB to be preserved regarding each transaction/banking service?**
- 2) Why have the documents regarding the Nord Hill Land Portfolio OÜ bond issues in 2007 not been preserved considering, that the bank is still providing investment portfolio management services to its clients, on whose behalf Swedbank AS noted and acquired NHLP bonds? Does this violate the group policy rules of Swedbank AB, in your opinion?**
- 3) Pursuant to the Swedbank AB group policy, for how long must the relevant documents (including the banks' own internal documents) be preserved and in which manner (i.e. in a physical archive or digitally)?**
- 4) What are the internal procedure rules of Swedbank group for avoiding conflict of interest? Does the management of Swedbank AB see a possible conflict of interest in the actions of their Estonian subsidiary company (i.e. Swedbank AS), considering that the bank represents its clients virtually against its own subsidiary company (i.e. Nord Hill Land Portfolio OÜ)?**
- 5) What does the internal group policy of Swedbank AB say regarding the reflection of subsidiary companies in the consolidated annual financial reports? Why have the Nord Hill undertakings (i.e. Nord Hill Land Portfolio OÜ; Nord Hill Real Estate AS; Jaagupi SRL) not been reflected in any of the consolidated annual financial reports of Swedbank AB considering that**

Swedbank AS is the sole shareholder in all these companies since 17 October 2011?

- 6) If share ownership in subsidiary companies is not requested to be reflected in the annual consolidated financial reports by the group policy, how does Swedbank reflect its subsidiary/connected undertakings?**

Yours sincerely



Maria Mägi-Rohtmets

Attorney-at-law

Annexes:

1. "Investment mediation and information transfer agreement" of 9 March 2006 (between Nord Hill Real Estate AS and Swedbank AS)
2. Certificate of good standing issued by the bank on 18 December 2006
3. Extract from the minutes of the Tallinn Circuit Court hearing of 1 November 2017
4. Reply of Swedbank AS to the court requirement of 10 October 2016