Guidelines and Specification for the Construction and Maintenance of the

NASDAQ OMX Credit SEK Indexes

Version as of March 28th, 2011

NASDAQ OMX

Contents

Rules for the Construction and Maintenance of the NASDAQ OMX Credit SEK Index series

1 General description

The NASDAQ OMX Credit SEK Index series are designed to provide exposure to a portfolio of corporate and municipality investment-grade bonds denominated in Swedish Krona (SEK). The NASDAQ OMX Credit Index series is computed and disseminated once per Swedish business day. End-of-day index closing values and key statistics are calculated and disseminated at 5.15 pm CET and at 1.15 pm CET at days with market early close. Indexes are published at the end of each business day in NASDAQ OMX Genium Consolidated Feed (GCF) and Global Index Dissemination Service (GIDS) market data feeds as well as in Global Index Watch (GIW) service. Index weights, component and key statistics data are also available on NASDAQ OMX File Delivery Service (FDS) as morning (SOD) and evening (EOD) files[1]. The base date for the NASDAQ OMX Credit SEK Index series (Price and Total return indexes) is December 30th, 2010 with a base value at 1000.00 and 101.18 for the Spread index.

The NASDAQ OMX Credit SEK Index series are produced and distributed under an agreement between NASDAQ OMX and SEB, hereafter referred together as the parties.

2 Selection criteria for bonds in NASDAQ OMX Credit SEK Index series

The selection criteria for inclusion of bonds in the NASDAQ OMX Credit SEK Indexes are:

- Issuer type
- Bond type
- Rating
- Settle date
- Time to maturity
- Outstanding amount for issuer and on individual bonds
- Included in the Bloomberg database

2.1 Issuer type

Bonds from corporate (financial and non-financial) and municipality issuers are considered to be eligible for inclusion in index. Bonds issued by supranational, governmental agencies or other issuers with a zero risk weight in the Basel accord (for example Kommuninvest) are ineligible for inclusion in index.

[1] Available only to licensees.

2.2 Bond type

Only senior unsecured nominal fixed rate bonds issued in Swedish Krona (SEK) are considered to be eligible for the index. The issuer's domicile is not relevant. The index is comprised solely of bonds listed on at least one of the following stock exchanges; Stockholm, London and Luxemburg.

In particular, bonds with the following characteristics are eligible for index inclusion:

- Nominal fixed coupon bonds
- Zero coupon bonds

The following bonds are specifically ineligible for index inclusion:

- Floating rate notes and other fixed-to-floater bonds
- Step-ups
- Covered bonds
- Government guaranteed bonds
- Inflation linked bonds
- Call bonds
- Put bonds
- Subordinated bonds
- Structured bonds
- Perpetuals

2.3 Rating

Bonds rated sub-investment grade by at least one of the following rating agencies: Standard & Poor's, Moody's or Fitch are not eligible for index inclusion. Bonds rated investment grade, or unrated bonds that the parties deem that the rating is BBB or higher, for example Vasakronan, are included in the index. In case that the ratings of the issuer and of the bond (issue) are different e.g. structural subordination, the parties can decide whether or not the bond is eligible for the index inclusion

2.4 Settle date

In order for a newly issued bond to be included in the index, it has to have a first settle date before the end of the month following the rebalancing date.

2.5 Time to maturity

All bonds must have a minimum remaining time to maturity of at least one year (short condition) at the re-balancing date as described in 3.1. On this date the time to maturity of the bond must exceed (>) 13 months and 4 business days.

All bonds must have a maximum remaining time to maturity less than or equal with 10 year (long condition) at the re-balancing date as described in 3.1. On this date the time to maturity of the bond must be less than or equal (<=) 10 years and 4 business days.

2.6 Outstanding amount

In order for a bond to be included in the index, the total nominal outstanding amount for the issuer must exceed or equal SEK 500m and each Bond must have a nominal amount exceeding or equal SEK 50m.

2.7 Included in Bloomberg database

In order for a bond to be included in the index, the bond must be available in the Bloomberg database using the ID function, Security by ID.

3 NASDAQ OMX Credit SEK Index Series – re-balancing, weightings, etc.

3.1 Monthly re-balancing

The composition and weightings for bonds in the NASDAQ OMX Credit SEK Index series is reviewed each month against the criteria's described in the section 2.

After market close on the 3rd business day (record date) before the last business day in month (rebalancing date), NASDAQ OMX compiles a preliminary list with all bonds which meet the criteria's, their respective nominal amount outstanding and the index weightings (section 3.2). NASDAQ OMX publishes a notification on the same day with information on changes in the indexes. Note that the preliminary list may be subject for change and it should only be used for the purposes of information, verification and analyze.

Prior the market opening on the last business day in month, NASDAQ OMX publishes the final list including changes in composition and index weighting. The list of changes will also be included for each index in the Morning Report (SOD) file distributed prior the market opening on the first business day in month.

3.2 Index weighting and limits

The weight, ω, of each bond in the index is the product of its nominal amount outstanding and its dirty price (mid valuation) on the record date for the monthly re-balancing as described in section 3.1. Intra-month changes of the nominal amount outstanding for each bond are reflected in the index through the re-balancing process described in the section 3.1. During this process the maximum total weight for all bonds by any single issuer is 5%. Should any issuer be subject to this cap, the weights for all bonds (that are not subject to the cap) are proportionally adjusted to ensure the total weight for all bonds equal to 1. In case that there are 20 issuers or less, the limit process should be slightly modified. First, weights above 5% are decreased to 5% and then all weights are increased proportionally, even the 5% weights. The difference is that the limited weights are also subjected to the process of proportionally adjusting weights.

3.3 Bonds in default

If a bond included in index goes into default or its rating is downgraded to sub-investment grade as in detail is described in 2.3, the bond will be removed to the market valuation price. Bonds will only be removed during the monthly re-balancing process. In order to ensure that a reasonable market price will be available, bonds will be removed at the re-balancing occurring no less than 10 business days before record date as defined in 3.1.

3.4 Price quotes

The index calculation is based on daily end-of-day market mid valuations supplied to NASDAQ OMX by SEB.

3.5 Adjustment for coupons

The total return index version adjust for coupons, $CP_{i,t}$ on the business day when the coupon fall (ex-coupon date) by adding the value of coupon to the market mid valuation dirty price until the close of last business day in month.

If a bond is added to the index during the ex-coupon period (between ex-coupon date and payment date), the value of $CP_{i,t}$ equals zero (0).

At the monthly rebalancing after close of the market on the last business day $CP_{i,t}$ will be set to zero (0) value for all bonds.

3.6 Accrued interest

The following day count conventions are taken into account when calculating the NASDAQ OMX Credit SEK Index series:

- ISMA 30/360
- ACT/ACT
- ACT/360
- ACT/365

3.7 Settlement Convention

The settlement convention t+3 are taken into account when calculating the NASDAQ OMX Credit SEK Index series.

4 Index calculation methodology

The NASDAQ OMX Credit SEK Index series is calculated as a **spread, price** and **total return** index versions.

4.1 Spread Index (SPIndex)

The spread index is calculated as follows:

$$SPIndex_t = \frac{\sum_{i \in M_i} S_{i,t} \times (P_{i,t} + AI_{i,t}) \times \omega_{i,s}}{\sum_{i \in M_i} (P_{i,t} + AI_{i,t}) \times \omega_{i,s}}$$

4.2 Clean Price Index (PRIndex)

The price index is calculated as follows:

$$PRIndex_t = PRIndex_{t-1} \frac{\sum_{i \in M_i} P_{i,t} \times \omega_{i,s}}{\sum_{i \in M_i} P_{i,t-1} \times \omega_{i,s}}$$

4.3 Total Return Index (TRIndex)

For the total return index the monthly adjustment involves the reinvestment of coupon payments at the beginning of the month. Consequently, the total return index is calculated as follows:

$$TRIndex_t = TRIndex_{t-1} \frac{\sum_{i \in M_i} (P_{i,t} + AI_{i,t} + CP_{i,t}) \times \omega_{i,s}}{\sum_{i \in M_i} (P_{i,t-1} + AI_{i,t-1} + CP_{i,t-1}) \times \omega_{i,s}}$$

4.4 Annotations

The following annotations are used in the index calculations:

$S_{i,t}$ denotes the yield spread for bond i at date t, calculated as the difference between two yields to maturity of the bond: The first corresponds to its valuation price, the second is obtained when it is priced flat on the swap curve using a bootstrap zero coupon curve calculation.

$P_{i,t}$	denotes the clean closing price of bond *i* at date *t*. For bonds with coupon, the price is rounded-off to three (3) decimals. Rounding according to ISMA´s principles, where the number 5 is rounded upwards
$P_{i,t-1}$	denotes the clean closing price of bond *i* on the previous business day
$N_{i,s}$	denotes the notional of bond *i* at the last rebalancing date
$AI_{i,t}$	denotes the accrued interest of bond *i* at date *t*
$AI_{i,t-1}$	denotes the accrued interest of bond *i* on the previous business day
$CP_{i,t}$	denotes the value of the coupon payment of bond *i* at date *t* as described in section 3.5.
$CP_{i,t-1}$	denotes the value of the coupon payment of bond *i* on the previous business day described in section 3.5.
$\omega_{i,s}$	denotes the capped weight according to the rules as described in section 3.2. Remember that $\omega_{i,s}$ is only calculated during the rebalancing as described in section 3.1and then unchanged intra month
M_i	denotes the set of bonds in month I included in the index

5 Limitations of liability

NASDAQ OMX shall not be liable for any direct, indirect, incidental, special or consequential damages or lost profits related to or arising out of the use of the index. NASDAQ OMX expressly disclaims all warranties of accuracy, completeness, merchantability or fitness for any particular purpose, with respect to the index. Neither NASDAQ OMX nor any third party make any warranty or representation whatsoever, express or implied, in respect of the index, the results to be obtained by the use thereof or the value of the index at any given time.

6 Appendix

6.1 Overview of the NASDAQ OMX Credit SEK Index series:

Note: The Total index versions will be distributed from the launch date on March 7th, 2011. The remaining indexes (Sub-index) will be distributed at a later date.

Full Name	Symbol	ISIN
NOMX Credit SEK Total Spread Index	NOMXCRSP	SE0003788454
NOMX Credit SEK Total Price Index	NOMXCRPR	SE0003788462
NOMX Credit SEK Total Return Index	NOMXCRTR	SE0003788470
NOMX Credit SEK Non-Financial Spread Index	NOMXCRNFSP	SE0003788488
NOXM Credit SEK Non-Financial Price Index	NOMXCRNFPR	SE0003788496
NOMX Credit SEK Non-Financial Total Return Index	NOMXCRNFTR	SE0003788504
NOMX Credit SEK Financial Spread Index	NOMXCRFSP	SE0003788512
NOMX Credit SEK Financial Price Index	NOMXCRFPR	SE0003788520
NOMX Credit SEK Financial Total Return Index	NOMXCRFTR	SE0003788538

6.2 Contacts

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