

Equity Basket - Certificate



This document describes a certificate created by SEB. The document is a sales material and shall not be considered as investment analysis or advice. Non capital guaranteed investment – the entire invested capital may be lost. Past performance is not indicative of future results, which may vary. Counterparty credit risk on SEB.

GAMBLING COMPANIES

CONTINUED GROWTH IN THE GAMBLING INDUSTRY

The internet-based gambling market has grown sharply in popularity over the past decade, with significant growth in both revenue and market capitalisation. This segment of gambling has expanded by 11 per cent annually over the past decade. Most of its current growth is occurring outside mature markets (where historical growth largely occurred) – in countries where online gambling has not penetrated the market to the same extent as in Sweden and the United Kingdom, for example. Gambling for money is controversial in many ways. Regulation initiatives are ongoing and both the problems surrounding gambling addiction and possible links to economic crime are issues that must be addressed. We thus support continuing regulation of the gambling industry.

Industry experts are predicting annual growth of internet-based gambling to about 9 per cent over the next five years. Internet gambling is rapidly continuing to capture market share from physical casinos, gambling kiosks, lotteries etc. and we believe that gambling companies have good potential for further structural growth. They are continuing to expand, their market is growing geographically and the necessary regulation process is under way, which are all positive factors. Valuations in this sector are also relatively low – despite high historical growth of 18 per cent annually over the past decade in Europe.

Bright future, shift away from physical gambling

The European gambling market (physical and online) amounts to over SEK 1060 billion (2015), of which 15 per cent (SEK 160 billion) consists of gambling via the internet. Nearly half of the global online gambling market is in Europe, while one third is in Asia and 13 per cent in North America. The large European market has been created based on a positive consumer response to mobile gambling, high internet penetration and proactive legislation. In other countries, unfavourable taxes and strict requirements or prohibitions have held back digital expansion. Over the next five years the market for online gambling in Europe is expected to grow by nearly 50 percent overall (8 percent annually), while land-based gambling is expected to grow by 14 per cent (3 percent annually), according to forecasts by SEB Equity Research. The difference in growth illustrates the shift to digital media – a shift that is expected to continue. By 2020, online gambling is expected to account for 18 per cent of all gambling in Europe. The internet-based gambling sector is still a young part of the digital economy, and European market players (mainly British and Swedish) are world leaders.

Past performance is not indicative of future results, which may vary. The value of investments and the income derived from investments can go down as well as up. Future returns are not guaranteed, and a loss of principal may occur.

WHAT DOES THE CERTIFICATE OFFER INVESTORS?

The certificate Gambling Companies offer investors exposure to a concentrated equity basket with seven (7) European and Swedish companies in the internet-based gambling industry. The basket constituents and weights are decided by SEB at the launch of the certificate. No rebalancing of the equity basket during the duration of the certificate. Rebalancing will only occur if SEB decides to postpone the End date of the certificate.

COMPANIES AND THEIR WEIGHTS IN THE SHARE BASKET

- **Playtech PLC** – UK (20%)
- **GVC Holdings PLC** – UK (18%)
- **Unibet Group PLC SDR** – Sweden (15%)
- **Evolution Gaming Group AB** – Sweden (13%)
- **NetEnt AB** – Sweden (13%)
- **888 Holdings PLC** – UK (11%)
- **Bet-at-home.com AG** – Germany (10%)

THE OFFER IN BRIEF

- Certificate, the value of which is dependent on the development of an equity basket chosen by SEB with seven (7) companies in the internet-based gambling industry.
- The Certificate is issued in SEK. The underlying shares are listed in EUR, GBP and SEK, which means that the value of the Certificate will also depend on the development of the SEK in relation to the currencies in which the underlying security is denominated.
- Dividends are reinvested in the respective underlying company.
- The Certificate is not capital guaranteed, which means that you as an investor stand the risk of losing the invested capital.
- The Certificate is aimed at institutional investors as well as SEB Private Banking and SEB Active Trading clients.
- SEB will offer its clients the opportunity to buy and sell the Certificate on a daily basis. Last day of trading is seven (7) banking days before the End date.
- Repayment of certificates held on the Final Valuation Day will be made through redemption of the certificate.
- Start Date 16 September 2016. End Date 17 September 2018. SEB can decide to postpone the End Date to 17 September 2020. The starting value of the Certificate is 100 SEK. Minimum investment is 500 certificates.
- Certificate Gambling Companies will have an annual management fee of 0.5 per cent based on the market value of the certificate.

COMPLETE TERMS

The complete terms for the Certificate are available in Swedish in the SEB Base Prospectus dated 12th of September 2016 for continuous issuance of Certificates and Warrants (in Swedish: Grundprospekt SEB AB Certifikat- och Warrantprogram, available at sebgroup.com/en/Investor-Relations), together with the Final Terms and Conditions of the Certificate (in Swedish: Slutliga Villkor, available upon request from your sales representative). The terms on which the Certificate is issued shall be governed by and construed in accordance with Swedish law, without regard to or application of its conflict of law provisions. This document is a summary and cannot disclose all of the information set forth in the Base Prospectus and Final Terms and conditions referred to above. In case of any inconsistency between this document and either of the Base Prospectus and Final Terms and Conditions, the latter shall prevail.

COMPANY DESCRIPTION

SEB have selected seven gambling companies based on a number of criterias. The companies revenue comes from online gambling activities and they have demonstrated a positive earnings growth. The basket of companies has an attractive valuation on a debt adjusted operating level (EV/EBIT) of 14.7 times next year's estimates (consensus and SEB) as of 15 September 2016. This part of the gambling industry is still in its infancy and with the recent regulatory concerns for Swedish gambling companies, SEB believes the current valuations have reached attractive levels but with unchanged long term growth potential.

Half of the equity basket is allocated to British companies and creates an exposure to the GBP/SEK currency rate, 40% of the companies are listed in Sweden and traded in Swedish kronors and the remaining 10% in Euros. Developers and operators of games and platforms represent 50% each of the equity basket. The equity weights of the basket are set based on a combination of the companies long term expected growth and a valuation methodology (lower valuation is ranked higher). All companies in the certificate work proactively to encourage responsible gaming, one of the cornerstones for the companies and their customer relationships.

Playtech PLC – (20% weight at the time of the launch of the certificate)

The British company Playtech is one of the world's largest developers of internet based casino games valued at over 33 SEK bn. The company was founded in 1999 by entrepreneurs with a background from casinos, media and software development and has become the market leader. With 15 years of continuous growth and product development the company has offices around the world and is well positioned for the future. Many of the world's land-based casino operators, state owned gambling monopolies, lotteries and online gambling operators have chosen Playtech as their supplier. Revenue is estimated to have increased tenfold during 2006 to 2016 (consensus estimates) and the underlying operating profit before depreciations is up 140% from 2011 to 2016 (consensus estimates). The current valuation of 11 times the debt adjusted operating level (EV/EBIT) for 2017 is low, given the strong organic growth of 17% for the first half of 2016 compared to last year together with a 36% increase of the underlying operating profit before depreciations. Casinos show the biggest growth in revenue and are the largest source of income for Playtech. Margins are up compared to 2015 and their strong net cash position opens up for future take overs.

GVC Holdings PLC – (18%)

GVC Holding is a multinational gambling company focusing on sportsbetting and casino games, listed on the London stock exchange since 2004. The company is an online gambling operator with a number of the leading brands such as Bwin, Sportingbet, Partypoker and Foxy Bingo. GVC holds licenses in 14 countries, has more than 3000 employees worldwide and a market value of over 20 SEK bn. More than half of the revenue comes from countries with a regulated gambling market and after last year's acquisition of Bwin.Party (transaction value 15 SEK bn) the revenue has become more diversified and increased with more than 200%. The acquisition created synergies of around 1 SEK bn and it is estimated that 60% of these will be captured during 2016. Last year was the fifth year in a row with revenue growth, increased underlying result and dividend for GVC. The company's growth during the second quarter of 2016 increased with 16% on an underlying basis (pro forma) and the operational development was positive. The next report is scheduled for 20 September and will contain more information about the synergies of the acquisition. GVC has received a license in New Jersey, USA, and the future looks promising. The current valuation of 13.8 times the debt adjusted operating level (EV/EBIT) for 2017 is attractive given the company's potential for future growth.

Unibet Group PLC SDR – (15%)

Swedish Unibet offers sportsbetting, live betting, racing, casino, games and bingo through several subsidiaries and brands. The company produces over 40% of the gross winnings revenue on the Nordic market, where Unibet is the market leader among the private gambling companies. Unibet is also one of the market leaders in European countries like Belgium, Netherlands, France and Austria. Revenue from regulated markets amounts to 35% of the total revenues. The report for the second quarter of 2016 did not meet the market expectations but showed a 57% increase in revenue, of which 29% was organic growth. The growth came at the cost of lower margins and the operating profit was down 1% compared to the doubling of the operating profit for Q1 when compared quarter-over-quarter. The main reason was increased marketing costs related to the UEFA football championship. For 2016, SEB estimates a 40% increase of the operating profit and that the strong growth will continue during 2017 with 26%. SEB also values the share with a debt adjusted operating multiple (EV/EBIT) of 12.7. An attractive valuation based on the future growth potential for Unibet.

Evolution Gaming Group AB – (13%)

Evolution Gaming is a Swedish company that develops, produces, markets and licenses fully integrated live casino solutions to casino operators. The company is the leading supplier of live casino games and offers roulette, black jack, baccarat, casino hold'em and three card poker. Evolution Gaming has over 70 corporate customers and the majority of Europe's largest casino operators. The five biggest clients represent 53% of the company's revenue. Evolution Gaming is considered the market leader of online live casino gambling in Europe. Online live casino is the fastest growing segment of the online gambling market in Europe. The segment has grown with an average yearly growth of 45% since 2008. Online live casinos share of the total online casino market has grown from a couple of percent to 25% during the same time period. SEB estimates that Evolution Gaming's market share amounts to 40% in Europe, with

half of the 20 biggest operators as their clients. The company's financial goals are to grow faster than the market, reach an operating margin before depreciation (EBITDA) of at least 35% and a dividend of 50% of the net income over time. SEB estimates a yearly profit improvement of 30% from 2016 to 2018. The current debt adjusted operating multiple of 20,5 for next year is high compared to peers but the growth for Evolution Gaming is stronger and therefore we believe the valuation is reasonable.

NetEnt AB – (13%)

Since the foundation of the company in 1996, NetEnt has grown to one of the world's leading developers and suppliers of online casino games. The first game was launched in 2002 and seven years later the company was listed on the Stockholm stock exchange after being distributed to the shareholders by its founder/owner Betsson. If SEB's estimates for 2016 are correct, NetEnt's revenue will have increased 1000% and the operating profit increase will be 960% since 2007. NetEnt is one of few companies in the gambling industry with an operating margin close to 40%. Only the developer and competitor Playtech can match this. The company's average operating margin since 2007 is 35% and for 2016 to 2018 SEB estimates an operating margin of between 37-39%. In 2015 NetEnt entered into the American market and they are one of few European competitors positioned to take advantage of future growth in the US the years to come. During the first half of 2016 the company generated an organic growth of the revenue of 32%, in line with the organic growth for 2015. NetEnt is a quality company with a competitive technology platform and well positioned for future growth. The company is valued at a debt adjusted operating multiple (EV/EBIT) of 24 for 2017. That is high compared to peers in the gambling industry, but around 25% lower than the last two years forward looking valuations. The share price is traded around the same levels as during the same period last year (September 2015). NetEnt's rapid growth justifies the high valuation.

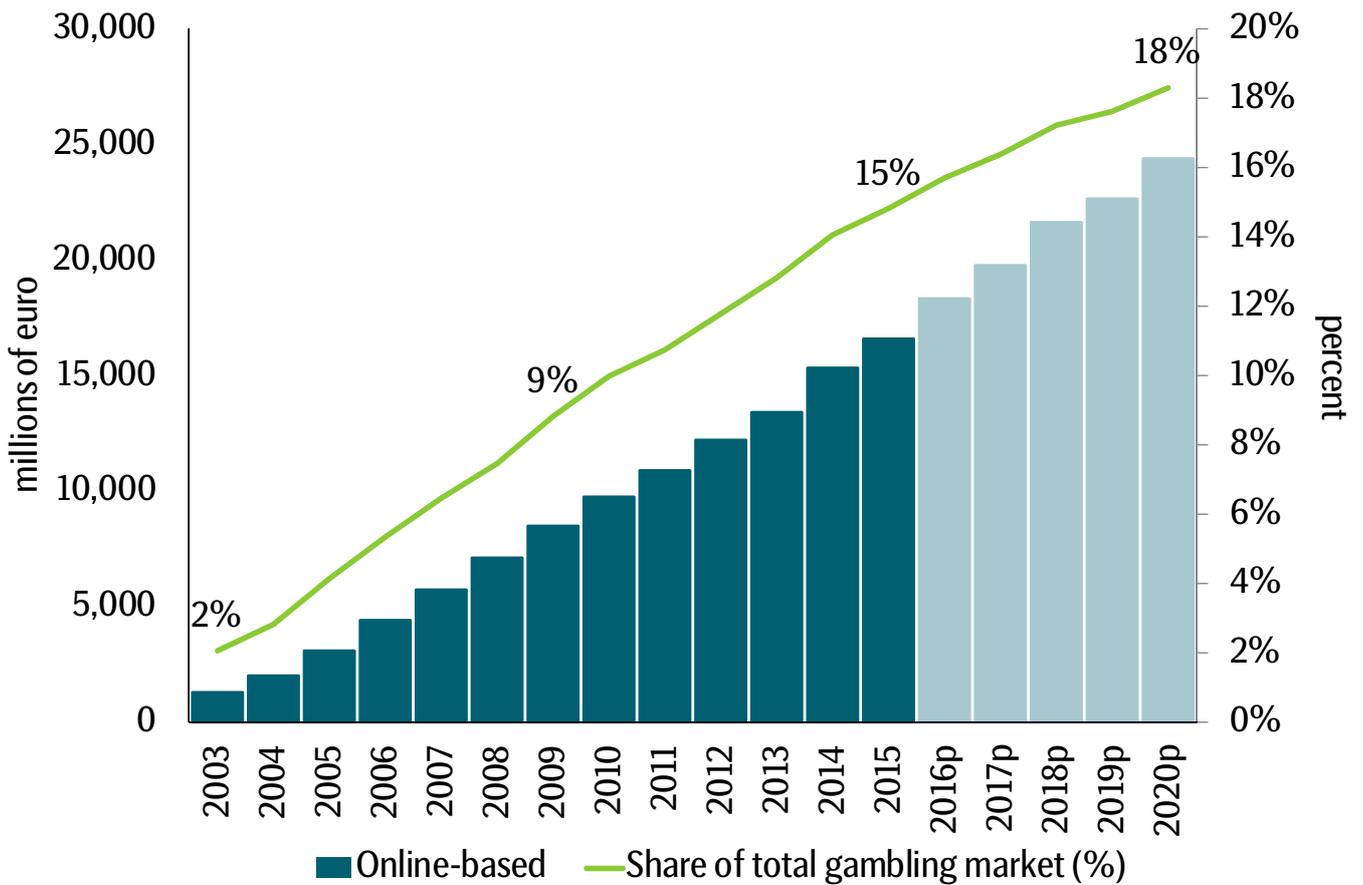
888 Holdings PLC – (11%)

The British company with the casino inspired name 888 has been in the forefront of the online gambling industry since the end of the 1990s and is an innovative company with in-house developed games and platforms. The company is both a gambling operator towards consumers and a supplier of games and platform software to other operators. This structure differentiates the company from its competitors and allows 888 to use their product development, technology, marketing and analytical capabilities in an optimal way. From 2003 to 2015 the company generated an average growth of an impressive 20%, excluding acquisitions. During the first half of 2016 the growth reached 19%. Revenue from regulated markets increased with 30% and has now grown to 63% of the total revenue. The underlying operational profit increased with 16% compared to the same period 2015. The adjustment to the regulation of the UK gambling industry is positive, with lower operational costs and continued high growth. Almost half of 888's revenue is derived from the UK, 37% from the rest of Europe and 11% from North- and South America. During the last year 888 has failed in two acquisitions, being outbid by competitors. The management ambitions are still to grow with acquisitions. The company is valued at a debt adjusted operating multiple (EV/EBIT) of 11,7. Based on consensus the valuation is attractive given the strong growth potential for 888.

Bet-at-home.com AG – (10%)

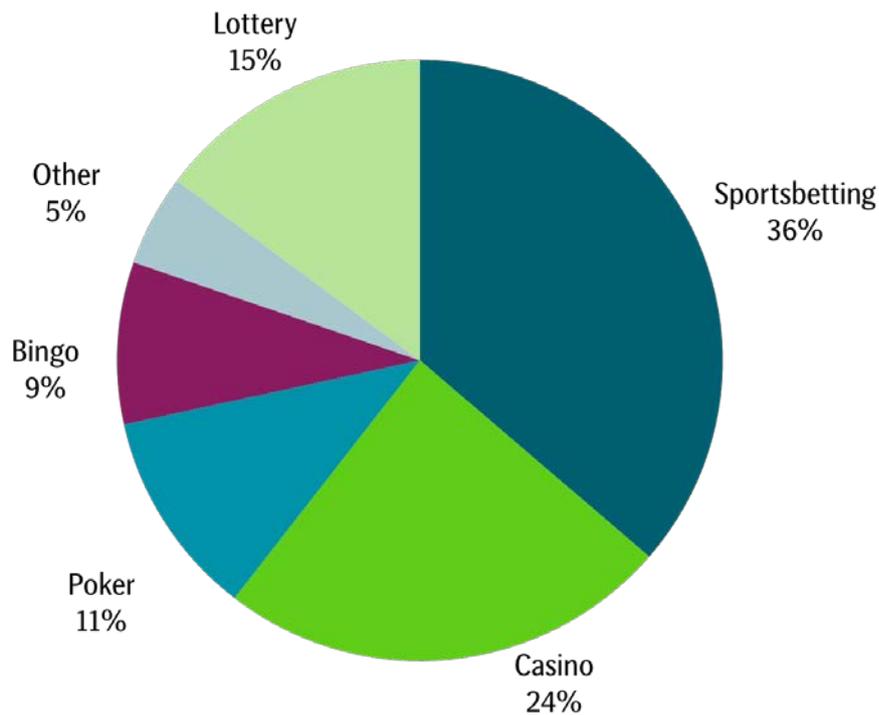
German bet-at-home is a relatively small gambling operator in terms of market capitalisation (around 4 SEK bn). The number of registered players has increased from 1 million to 4.3 million from 2007 to 2013 (330%). At the same time the revenue has grown 340% and at the end of 2016 they are estimated to reach just above 1 SEK bn. Bet-at-home offers sports and casino gambling services. The company was founded in Austria 1999 and after a strong growth the last years most of the revenue is derived from Central and Eastern Europe. The operating profit has more than doubled during the last three years, but high marketing costs for 2016 have affected the earnings growth compared to last year. The growth for 2016 is still strong, 24%, and the increased marketing in connection to the UEFA football championships are looked upon as long term investments. The company is traded in line with consensus, at a debt-adjusted operating multiple (EV/EBIT) of 10,6 for 2017, with a cash flow of 9% of the current market capitalisation; attractive levels based on the company's strong potential.

THE EUROPEAN ONLINE GAMBLING INDUSTRY SINCE 2003, AND ESTIMATES FOR THE FUTURE



Source: SEB Equity Research

THE EUROPEAN ONLINE GAMBLING INDUSTRY, BROKEN DOWN INTO TYPE OF GAMES



Source: SEB Equity Research

REGULATION OF THE GAMBLING INDUSTRY

Regulation is complex and a must for gambling

One continuous concern and constant challenge for the sector is regulation. Its purpose is to legitimise the online gambling market. All operators must obtain a licence in order to compete on equal terms with existing government monopolies, resulting in improved marketing opportunities via more channels, but also resulting in the introduction of taxation. Several European countries (the UK, France, Spain, Italy, Belgium and Denmark) have already regulated their gambling markets. In the short term, regulation adversely affects gambling company earnings, since taxes of about 10-25 percent on revenues have been introduced (companies previously held licences in tax-advantaged countries or territories such as Malta or Gibraltar), but faster growth as a result of regulation and reduced marketing costs has led to higher earnings after a certain period.

Consolidation – one effect of regulation

There are a number of examples of how earnings have been affected by the introduction of a licensing system and the imposition of taxes on previously untaxed earnings.

The United Kingdom is a successful example of how gamers can be covered by consumer protections that are introduced as part of regulation. When operators had to apply for licences in late 2014 and the tax rate was set at 15 per cent (low for the industry), 90 per cent of gambling activity became part of the regulated system. During the first half of 2015, the operating incomes of the largest gambling companies rose by an average of 5 per cent, while revenue growth was about 30 per cent.

Denmark regulated its gambling market in 2012, with a tax of 20 per cent. The following year, the gambling market grew by nearly 50 per cent – a major acceleration compared to previous years. The number of gambling operators fell by a quarter between 2012 and 2015 – a clear consolidation. The French market was regulated as early as 2010, with a tax rate of about half of gambling operators' revenues. At that point, half the operators left the country, paralysing the French gambling market.

Swedish regulation in 2018

Most observers expect the Swedish government to publish a report on the internet-based gambling market during 2017. This will provide the basis for creating a regulation system in 2018. We expect the tax rate on gambling operators' revenues to be set at 20 per cent. With the government gambling monopoly continuously losing market share to foreign-based private operators, the government is losing potential revenue. This is one reason why the government wants a regulated system. We expect that major operators will be able to benefit from changes in their cost base after the market has been regulated and that faster market growth will offset the negative impact of new introduced taxes on their earnings. We also expect a consolidation of the industry, with larger operators taking over smaller ones. The Netherlands and Norway are also expected to regulate their markets during the new few years.

Combating gambling addiction is vital

Some 1.7 per cent of people in Sweden are "problem gamblers", according to a report from the Ministry of Health and Social Affairs. Although nearly 75 percent of them improve their gambling habits each year, the percentage of problem gamblers remains relatively constant, since about the same number is added each year. An international review of more than 200 studies showed that 2.3 percent of the average population has gambling problems, a proportion that has been relatively stable over time. In two surveys conducted 10 years apart, the proportion of the Swedish population with such problems was unchanged.

All gambling companies, whether government monopolies or private internet operators, need to enact significant preventive measures to reduce gambling addiction. Gambling problems have negative consequences for both gamers and those around them. Regulation is the only way to force gambling companies to undertake the necessary measures, such as staff training. Other measures include self-exclusion from casinos and the internet, restrictions on gambling speed, options and/or limiting access to money while gambling. Such measures also include regulation of marketing to young people, who should be approached with caution. All operators must assume their responsibilities – both government monopolies and private gambling companies. Regulation is a must, which many European countries have already implemented. It is time for Sweden, Norway and the Netherlands to do the same.

HISTORICAL SIMULATION OF THE EQUITY BASKET

The graphs below provide a historical simulation of how the equity basket Gambling Companies and the underlying companies have performed in SEK. The proposed weights for the equity basket have been used in the historical simulation. The IPO of Evolution Gaming took place on 19 September 2015 and this is the first trading day of which all constituents of the equity basket can be measured. The graphs show the development excluding fees and tax on dividends. All dividends are reinvested in the corresponding company. Rebalancing of the equity basket will only take place if the duration of the certificate is prolonged from 17 September 2018 to 17 September 2020.

For the underlying companies in the equity we basket we show their individual performance during the last five years, except for Evolution Gaming. All dividends are reinvested in the corresponding company.

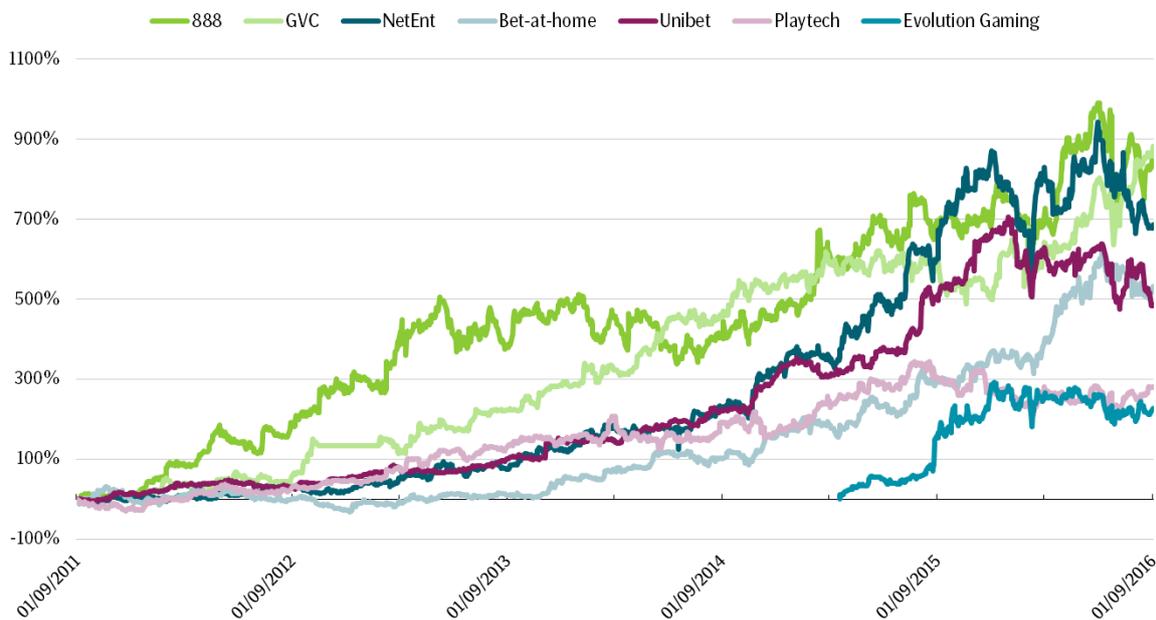
Past performance is not indicative of future results, which may vary.

EQUITY BASKET GAMBLING COMPANIES 2015/03/19 – 2016/09/01



Performance calculated in SEK. Source: Bloomberg

UNDERLYING COMPANIES



Performance calculated in SEK. Source: Bloomberg

CERTIFICATE

WHAT IS A CERTIFICATE?

A certificate is a security issued by a bank. The value of the certificate is dependent on the value of a certain underlying asset. This specific certificate provides exposure to a basket of equities. As an owner of this certificate you as an investor do not have any direct ownership in the underlying asset. The issuing bank (the issuer, in this case SEB) will instead during the lifetime of the certificate value the certificate according to the terms and conditions regulating the product. If you keep the certificate to maturity the issuer will pay out the final value in accordance with the terms and conditions. As an investor, you therefore assume, in addition to the market risk in the product, also a counterparty risk towards the issuer. Read more about issuer counterparty risk under the section "Risks".

EASY TO EXECUTE

Certificates are generally traded as easily as equities through a custody account or similar. It can also be held in certain "Kapitalförsäkringar" and "Investeringssparkonto" (in Sweden). Certificates can be listed at a regulated market or traded on demand through your SEB advisor.

This certificate can be bought and sold on a daily basis through your SEB advisor at a price based on the prevailing prices of the underlying equity basket. The certificate will be listed on the Nordic Derivatives Exchange (NDX).

CERTIFICATES WITH DIFFERENT RISK LEVELS

Certificates are available in different versions with varying risk levels depending on the underlying asset. You as an investor can choose between different risk levels depending on your preferences. The more risk-willing investor is able to invest in leveraged certificates. This certificate does not have any leverage. The exposure to the underlying asset is equal to the amount invested in the certificate.

EXPECTED RETURN

The return of the certificate will be dependent on the development of the underlying equity basket, less the management fee. An index will be calculated based on the development of the equity basket. The index will increase in value if the underlying equities increase in value and vice versa. The certificate Gambling Companies follows the index, which means that the value of the certificate will increase when the index value increases and decrease when the index value decreases.

The value of the equity basket is dependent on each constituent's share price development as well as the development of the currency in which each constituent is listed in against the Swedish Krona ("SEK"). The equity basket will have a positive development if the share price increases and also if the respective currency increases against the SEK.

It is not possible to provide a reasonable expected return of the certificate.

The certificate will not distribute any dividends. Potential dividends from the underlying constituents will be reinvested in the corresponding distributing company after deduction for relevant withholding tax and Transaction cost.

IMPORTANT ASPECTS TO CONSIDER

- The certificate is issued by Skandinaviska Enskilda Banken AB (publ) ("SEB") creating a counterparty risk towards SEB in addition to the market risk connected with the certificate.
- The value of the certificate is based on the price of the underlying asset, in this case an equity basket. Investors in the certificate do not have any direct ownership in the underlying asset.
- Purchases and divestments of the certificate will be possible through SEB on a daily basis up to and including the seventh banking day before the End date of the certificate.
- SEB can decide to extend the End date of the certificate from 17 September 2018 to 17 September 2020.
- An investment decision should be based on the investment proposal's own merits but also on how the investment fits into the overall investment portfolio.
- This certificate is aimed at someone who wants a focused exposure to a concentrated equity basket with companies in the internet-based gambling industry.

TAXATION

This information is only relevant for Swedish physical tax subjects who are liable for tax paid in Sweden. For other physical persons other rules will be applicable. Certificates are liable for tax. Tax regulations may change over time. An investor who is unsure of the taxation of a certificate should consult with a professional tax advisor. The tax consequences for each investor may differ according to the specific situation and prerequisites.

COSTS ASSOCIATED WITH THE CERTIFICATE

The certificate Gambling Companies will have an annual management fee of 0.5 per cent based on the market value of the certificate. The management fee will be deducted from the value of the certificate on a daily basis. At the time of a rebalancing of the equity basket, reinvestment of dividend or calculation of the Final Valuation of the certificate a Transactions Cost of 0.05 per cent will be applied. The Transaction Cost is set at the Start date and adjusted until the End date.

Commission is applicable throughout the lifetime of the certificate on the full invested amount according to SEB's price list at any given point in time. No commission is charged at expiry of the certificate.

FACT SHEET

Product name	Gambling Companies
Short name	C1609SPEL
ISIN	SE0008991855
Listing	NDX
Clearing	Euroclear Sweden
Currency	SEK
Start value	100 SEK
Start date	16 September 2016
Last day of trading	Up to and including the seventh (7) banking day before the End date
End date	17 September 2018. SEB can decide to extend the End date to the 17 September 2020
Final payment date	10 banking days after the End date

Minimum investment

500 certificates.

Return

The value of the certificate is based on the performance of the equity basket Gambling Companies. Important factors affecting the value of the equity basket are the performance of the share prices and dividends for the underlying shares as well as currency movements relating to the underlying currencies against the SEK.

Equity Basket

The equity basket Gambling Companies consist of seven (7) companies in the internet-based gambling industry selected by SEB. The companies will be given different weights based on the valuation on 15 September 2016. No rebalancing during the duration of the certificate. The equity basket will only be rebalanced if SEB extends the End date from 17 September 2018 to 17 September 2020. Potential dividends from the underlying constituents will be reinvested in the corresponding distributing company after deduction for relevant withholding tax and Transaction cost.

Valuation

The certificate will receive a daily valuation based on the closing prices of underlying companies in the equity basket and the relevant currency rates (EUR/SEK and GBP/SEK).

Closing prices on the final valuation date is based on the average closing price for each share for the last five valuation dates leading up to the final valuation date adjusted for any transaction costs and/or relevant taxes. The purpose of the average period valuation methodology is to minimise risks for extreme volatility in share prices affecting the value of the certificate. Currency rates are set on the final valuation date.

Secondary market

The certificate will be listed on the Nordic Derivatives Exchange. SEB will provide the possibility to buy or sell certificates throughout the lifetime of the certificate up to and including the seventh banking day prior to the End date. Please contact your SEB advisor for trading.

Market disruption event and other events

In the case of a market disruption event or other significant events, SEB reserves the right to adjust the value of the certificate or make other necessary changes to the terms and conditions, which SEB deems fit in order to reflect the value of each constituent. A market disruption event or other events is in this case defined as situations where trading in the underlying constituent is disrupted or if there are no official quotes available.

Early redemption

SEB will inform the investor in case of an early redemption of the certificate. SEB has the right to call the Certificate for settlement at SEB's own discretion, provided that SEB will use such efforts as it reasonably deems practical to preserve the value of, or provide reasonable value for

the Certificate. No commission is charged in relation to an early redemption.

Commission

In accordance with SEB's price list at any given time. No commission at expiry.

Management fee

0.5 per cent on an annual basis, until the final valuation date, based on the value of the certificate.

Transaction cost

At the time of a rebalancing of the equity basket, reinvestment of dividend or calculation of the Final Valuation of the certificate, a Transactions Cost of 0.05 per cent will be applied. The Transaction Cost is set at the Start date and adjusted until the End date.

Product Group D

Includes financial instruments with increased complexity or risk for economic loss. You may lose the entire invested amount. Please find more information at www.seb.se, Spara & Placera, Aktier & andra placeringar, "Regler för hantering av värdepapper".

Issuer

Skandinaviska Enskilda Banken AB (publ) is under the supervision of the Swedish FSA ("Finansinspektionen"). Current long term rating of the issuer is A+ (outlook stable) according to Standard & Poor's, Aa3 (outlook stable) according to Moody's and AA- (outlook positive) according to Fitch. Ratings can be subject to change and it is the responsibility of the investor to be up to date with the actual rating levels.

Complete terms and conditions

The certificate is regulated by a prospectus specifying terms and conditions of the certificate. For complete terms and conditions an investor should read the prospectus for the certificate dated as of September 12, 2016. The prospectus is written in Swedish and SEB will during the lifetime of the certificate communicate with investors in Swedish and English. Terms and conditions as well as any marketing are regulated by Swedish law and any disputes will be handled by Stockholms tingsrätt. For more information about SEB and its services, please see "Information om SEB och dess värdepapperstjänster" which you will find at www.seb.se, Spara & Placera, Aktier & andra placeringar, "Regler för hantering av värdepapper".

Reservations

SEB reserves the right to cancel all or parts of the certificate if an event of economic, financial, political or other occurs and this, according to SEB could have a detrimental effect on a successful launch of the certificate.

Tax regulations for Swedish, physical tax subjects

As the return of the certificate is unknown and not predictable in any way, the return cannot be considered as interest. The return should be considered as capital gains and be taxed according to the principles applicable for this return. The difference between invested amount and received amount at sale of redemption should be taxable as capital gains. Please see more on taxation at www.seb.se.

Complaints

Any complaints relating to this product should be put forward to the department within SEB which has distributed the product. If complaints still exist after this contact, please contact:

SEB Kundrelationer

Telephone: 0771-62 10 00

106 40 Stockholm

Additional information on complaints is available at www.seb.se.

RISKS

Credit risk

The issuer of the certificate is SEB. As a holder of the certificate you therefore have credit risk on SEB. It is therefore important that the investor is able to evaluate SEB's likelihood of being able to serve its commitments according to the certificate during its lifetime. An investment in the certificate is not covered by the governmental deposit guarantee.

Liquidity risk and secondary market

SEB will provide a secondary market in the certificate through trading with SEB. SEB has the right to stop sells and purchases of certificates under certain periods e.g. due to poor liquidity in the underlying asset, at market disruptions or in the case of technical errors at SEB or EuroclearSweden AB. The certificate will be listed at NDX but SEB has not committed to act as a market maker on NDX.

Specific risk related to the underlying equity basket

A basket often consists of a limited number of shares, focused on the same sector or equities with similar risk profiles. This leads to a risk for higher volatility than a broad index exposure at the same time as the risk towards the specific sectors and risk factors are higher in relation to a broad index exposure.

Please note that each of the companies included in the basket carry with them individual investment risks, whether relating to their own specific circumstances, or to the sectors and geographic markets in which they operate. Before investing in the Certificate you are urged to review such risks, for example by referring to the most recent investment research published by SEB or third party research providers on the companies concerned.

Currency risk

Please note that the investor is not secured against the currency risk resulting from the fact that the currency of the certificate does not correspond to the currency of the assets linked to the performance of the certificate. The investment is therefore exposed to currency fluctuations and the value of the certificate in SEK will increase or decrease relative to the values of the shares in the basket in their domestic currencies.

Market risk

Investments in financial instruments are always speculation providing the possibility to positive returns and gains but also create a risk for negative returns and losses. When you buy a certificate you are exposed to a risk of the price development of the underlying asset. This is called market risk. If the price of the underlying asset decreases you will have a negative return as a consequence of the decrease. This certificate does not have any leverage. The exposure to the underlying asset is equal to the amount invested in the certificate.

No capital guarantee

The Certificate is not capital guaranteed and investors must be aware that they may lose all or a substantial part of their investment.

INFORMATION

General

Investments in financial instruments are always speculation providing the possibility to positive returns and gains but also creating a risk for negative returns and losses.

The material in this document should not be seen as individual advisory but as a supportive tool for investment decision. SEB is not responsible for the economic result of any decisions taken based on this document. SEB assumes no responsibility for the material describing all aspects of the investment. Before any investment the investor is responsible for securing full understanding of the financial instrument and its characteristics and inherent risks. This is important since the financial risks vary between different instruments.

SEB and other issuers issue many different certificates. Even if these products may have similar names, there could be significant differences. The investor therefore needs to be aware that the possibility to compare different certificates, including the pricing component, may be difficult. To get a complete picture of the offering, the investor should read the Base prospectus before investing in the certificate. If doubts still remain the investor should contact an advisor at SEB.

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