



Skandinaviska Enskilda Banken

*(Incorporated in the Kingdom of Sweden with limited liability)*

## Global Programme for the Continuous Issuance of Medium Term Notes and Covered Bonds

Under the programme (the **Programme**) described in this Information Memorandum (as supplemented from time to time, the **Information Memorandum**), Skandinaviska Enskilda Banken AB (publ) (the **Bank**) may, subject to all applicable legal and regulatory requirements, from time to time issue medium term notes (the **MTNs**) and covered bonds (*säkerställda obligationer*) (the **Covered Bonds**) and, together with the MTNs, the **Notes**) in bearer and/or registered form (respectively **Bearer Notes** and **Registered Notes**) each denominated in any currency agreed between the Bank and the Dealers (as defined below). MTNs may be Senior Notes or Subordinated Notes and, in the case of Senior Notes, Senior Preferred Notes (including Senior Preferred MREL Eligible Notes) or Senior Non-Preferred Notes or, in the case of Subordinated Notes, Senior Subordinated Notes or Tier 2 Subordinated Notes.

This Information Memorandum has been approved as a base prospectus by the Central Bank of Ireland (the **CBI**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CBI only approves this Information Memorandum as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CBI should not be considered as an endorsement of the Issuer or the quality of the Notes. Investors should make their own assessment as to the suitability of the Notes.

Such approval relates only to Notes that are to be admitted to trading on the regulated market (the **Regulated Market**) of the Irish Stock Exchange plc, trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**) and/or that are to be offered to the public in any member state of the European Economic Area (the **EEA**) (which, for these purposes, includes the United Kingdom (the **UK**)) in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Information Memorandum to be admitted to its official list (the **Official List**) and trading on the Regulated Market. The Regulated Market is a regulated market for the purposes of MiFID II. References in this Information Memorandum to Notes being **listed** (and all related references) shall mean that, unless otherwise specified in the applicable Final Terms, the Notes have been admitted to the Official List and trading on the Regulated Market.

This Information Memorandum supersedes the Information Memorandum dated 14th June, 2019. This Information Memorandum (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or Article 3(2) of the Prospectus Regulation. For these purposes, references to the EEA includes the UK. The obligation to supplement this Information Memorandum in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Information Memorandum is no longer valid.

**See “Risk Factors” for a discussion of certain factors that should be carefully considered by potential investors.**

The Notes will be represented initially by global Notes, without interest coupons, which will be deposited either with a common depository or common safekeeper for Clearstream Banking S.A. (**Clearstream, Luxembourg**) and/or Euroclear Bank SA/NV (**Euroclear**) or with a custodian for The Depository Trust Company (**DTC**) on the date of issuance thereof. Temporary Global Notes (as defined herein) in bearer form will be exchangeable either for a Permanent Global Note (as defined herein) in bearer form or for definitive securities in bearer form following the expiration of 40 days after the issuance thereof, upon certification as to non-U.S. beneficial ownership and as may be required by U.S. tax laws and regulations, as described under “*Notice to Purchasers and Holders of Notes and Transfer Restrictions*”.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States of America or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act 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 of America and any other jurisdiction.

The Bank has been rated A+ by S&P Global Ratings Europe Limited (**S&P**), Aa2 by Moody’s Investors Service (Nordics) AB (**Moody’s**) and AA- by Fitch Ratings Limited (**Fitch**). Each of S&P, Moody’s and Fitch is established in the European Union (the **EU**) and/or the UK and is registered under Regulation (EC) No.1060/2009 (as amended) (the **CRA Regulation**). As such, each of S&P, Moody’s and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (as defined below) and will not necessarily be the same as the rating assigned to the Bank by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes and Fixed Reset Notes may be calculated by reference to one of LIBOR, EURIBOR, SONIA or STIBOR as specified in the relevant Final Terms. As at the date of this Information Memorandum, (i) the administrator of LIBOR, ICE Benchmark Administration Limited, and the administrator of EURIBOR, the European Money Markets Institute, are each included in ESMA’s register of administrators under Article 36 of Regulation (EU) No. 2016/1011 (as amended, the **Benchmarks Regulation**); and (ii) the administrators of STIBOR and SONIA are not included in ESMA’s register of administrators under the Benchmarks Regulation. As far as the Issuer is aware, (i) the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the administrator of STIBOR, the Swedish Financial Benchmark Facility, is not currently required to obtain authorisation or registration; and (ii) under Article 2 of the Benchmarks Regulation, the administrator of SONIA, the Bank of England, is not required to obtain authorisation or registration.

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*Arranger for the Programme*

**SEB**

*Dealers*

**Barclays  
Citigroup  
Credit Suisse  
HSBC  
NATIXIS  
Société Générale  
Corporate & Investment Banking**

**BNP PARIBAS  
Commerzbank  
Deutsche Bank  
J.P. Morgan  
NatWest Markets  
UBS Investment Bank**

**BofA Securities  
Crédit Agricole CIB  
Goldman Sachs International  
Morgan Stanley  
SEB  
UniCredit Bank**

26th June, 2020

This Information Memorandum comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

The Bank accepts responsibility for the information contained in this Information Memorandum and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Bank the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. References in this Information Memorandum to **Group** or to **SEB** are to the Bank and its subsidiaries, taken as a whole. This paragraph should be read in conjunction with the fourth paragraph on the cover of this Information Memorandum.

The Bank has confirmed to the Dealers named under “*Subscription and Sale*” and any additional Dealer appointed under the Programme from time to time by the Bank (each a **Dealer** and together the **Dealers**) that this Information Memorandum (as defined below) is true and accurate in all material respects and not misleading; that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would, in the context of the issue of the Notes, make any statement herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing. The Bank has further confirmed to the Dealers that this Information Memorandum (subject to being completed by a final terms document (the **Final Terms**) referred to herein) contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Bank and its subsidiaries and of the rights attaching to the relevant Notes.

The Information Memorandum is to be read and construed with any Final Terms and with any other documents incorporated by reference (see “*Documents Incorporated by Reference*”). This Information Memorandum shall be read and construed on the basis that those documents are incorporated and form part of this Information Memorandum.

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Information Memorandum refers does not form part of this Information Memorandum and has not been scrutinised or approved by the CBI.

The Bank has not authorised the making or provision of any representation or information regarding the Bank or the Notes other than as contained or incorporated by reference in this Information Memorandum, in the Dealership Agreement (as defined herein), in any other document prepared in connection with the Programme or any Final Terms or as approved for such purpose by the Bank. Any such representation or information should not be relied upon as having been authorised by the Bank, the Dealers or any of them.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained herein. Neither the delivery of this Information Memorandum or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Bank since the date hereof or, as the case may be, the date upon which this document has been most recently supplemented.

### **IMPORTANT – EEA AND UK RETAIL INVESTORS**

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIPs Regulation.

**MIFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the

Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**Product Classification pursuant to Section 309B of the Securities and Futures Act (Chapter 289 of Singapore)** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (as amended, the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), unless otherwise stated in the applicable Final Terms, all Notes shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the **MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Information Memorandum has been prepared on the basis that any Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) will (i) only be admitted to trading on an EEA regulated market (as defined in MiFID II), or a specific segment of an EEA regulated market, to which only qualified investors (as defined in the Prospectus Regulation) can have access (in which case such Notes shall not be offered or sold to non-qualified investors) or (ii) only be offered to the public in an EEA Member State pursuant to an exemption under Article 1(4) of the Prospectus Regulation (and for these purposes, references to the EEA include the UK).

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS INFORMATION MEMORANDUM AND OFFERS OF NOTES GENERALLY**

The distribution of this Information Memorandum and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. The Dealers do not represent that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum or any Final Terms comes are required by the Bank and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Information Memorandum or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, Notes have not been and will not be registered under the Securities Act and may include Notes in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to U.S. persons. **Neither this Information Memorandum nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States of America, 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 Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States of America and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)). See “*Subscription and Sale*”.

This Information Memorandum has been prepared by the Bank for use in connection with the offer and sale of the Notes in reliance upon Regulation S outside the United States of America to persons other than U.S. persons and, with respect to Notes in registered form only, within the United States of America in reliance upon Rule 144A under the Securities Act (**Rule 144A**) to QIBs as defined in, and in reliance on, Rule 144A and in accordance with any applicable exemption from the U.S. Investment Company Act of 1940 and any applicable securities laws of any state of the United States of America and any other relevant jurisdiction. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

To permit compliance with Rule 144A under the Securities Act in connection with sales of Notes, the Bank will furnish upon the request of a holder of Notes or of a beneficial owner of an interest therein to such holder or beneficial owner or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act, if at the time of such request, the Bank is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Neither this Information Memorandum nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Bank, the Dealers or any of them that any recipient of this Information Memorandum or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Information Memorandum or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Bank.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

**PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS INFORMATION MEMORANDUM AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH IN THE SECTION ENTITLED "RISK FACTORS" AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE BANK OR ANY DEALER.**

## PRESENTATION OF INFORMATION

### Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Information Memorandum will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Information Memorandum. In addition, the following terms as used in this Information Memorandum have the meanings defined below:

All references in this Information Memorandum to:

- **SEK** or **krona** are to the currency of the Kingdom of Sweden;
- **CHF** or **Swiss Francs** are to the currency of Switzerland;
- **€** or **EUR** or **euro** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the EU, as amended;
- **GBP** or **Pounds Sterling** are to the currency of the UK;
- **Danish krone** or **DKK** are to the currency of the Kingdom of Denmark;
- **Norwegian krone** is to the currency of the Kingdom of Norway;
- **JPY** or **Japanese yen** are to the currency of Japan;
- **Renminbi, RMB** or **CNY** are to the lawful currency of the People's Republic of China (the **PRC**) which, for the purposes of this Information Memorandum, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;
- **USD, U.S. dollars** or **United States Dollars** are to the currency of the United States of America; and
- the **EEA** and the **EU** shall include the UK unless otherwise specified and Member State is to be construed accordingly.

## PRESENTATION OF FINANCIAL INFORMATION

### Interim financial statements

The Bank's unaudited consolidated interim financial statements as of and for the three-month periods ended 31st March, 2020 and 31st March, 2019 (the **Interim Financial Statements** and, together with the Annual Financial Statements (as defined below), the **Financial Statements**) are incorporated by reference in this Information Memorandum and have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as applicable to the preparation of interim financial statements and interpretations of these standards as adopted by the European Commission.

The Interim Financial Statements have been reviewed in accordance with ISRE 2410 International Standards of Review Engagement by Ernst & Young AB, with Hamish Mabon as auditor in charge, as set forth in the review report incorporated by reference in this Information Memorandum.

### Annual financial statements

The Bank's audited consolidated financial statements as of and for the years ended 31st December, 2019 (the **2019 Financial Statements**) and 31st December, 2018 (the **2018 Financial Statements** and, together with the 2019 Financial Statements, the **Annual Financial Statements**) are each incorporated by reference in this Information Memorandum and have been prepared in accordance with IFRS and interpretations of these standards as adopted by the European Commission.

The 2019 Financial Statements have been audited by Ernst & Young AB, with Hamish Mabon as auditor in charge, as set forth in the auditors' report incorporated by reference in this Information Memorandum. The 2018 Financial Statements have been audited by PricewaterhouseCoopers AB, with Peter Nyllinge as auditor in charge, as set forth in the auditors' report incorporated by reference in this Information Memorandum.

## Restatement of 2018 financial information

With effect from 1st January, 2019, each of the two business areas under Life & Investment Management became separate business divisions. See “*Skandinaviska Enskilda Banken AB (publ)—Overview*”. With effect from 1st January, 2019 the Bank also adjusted its reporting segments to reflect this new division structure with Life being a separate reporting segment and Investment Management being reported with Group Functions (consisting of the Investment Management division, Group Treasury, Business Support, the German run-off operations, and Group Staff and other various small units) as one separate reporting segment. Reflecting this reorganisation, the Bank has restated the comparative financial information for the year ended 31st December, 2018 (included for comparative purposes in the 2019 Financial Statements). Business equity figures for 2018 have been restated, reflecting these new operating segments. Following the reorganisation, the Bank does not report business equity or measure the return on business equity of the Investment Management & Group functions operating segment.

## Implementation of new and amended accounting policies

The Bank elected to early adopt the Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform issued in September 2019. In accordance with the transition provisions, the amendments have been adopted retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter.

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Furthermore, the amendments set out triggers for when the reliefs will end, which include the uncertainty arising from interest rate benchmark reform no longer being present.

In summary, the relief provided by the amendments that apply to the Group are:

- when considering the ‘highly probable’ requirement, the Group has assumed that the USD LIBOR and the GBP LIBOR interest rates on which the Group’s hedged item are based do not change as a result of IBOR reform;
- in assessing whether the hedge is expected to be highly effective on a forward-looking basis the Group has assumed that the USD LIBOR and the GBP LIBOR interest rates on which the cash flows and the fair value of the hedged item and the hedging item that hedges them are based are not altered by IBOR reform;
- the Group will not discontinue hedge accounting during the period of IBOR-related uncertainty solely because the retrospective effectiveness falls outside the required 80 – 125 per cent. range; and
- the Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

With effect from 1st January, 2019, the Bank has adopted IFRS 16 *Leases*, which requires the recognition of both operating and finance lease assets and liabilities as right of use assets. Right of use assets (where the underlying asset being leased is tangible) are included in risk exposure amounts (**REA**) and risk-weighted at 100 per cent. From 1st January, 2019, right of use assets are included in Other assets and lease liabilities are included in Other liabilities. Interest expense on lease liabilities and depreciation of right of use assets replaced nearly all lease costs for premises from 1st January, 2019. The increase in Other assets as of 1st January, 2019 was the result of an increase in right of use assets of SEK 5,747 million, an increase in deferred tax assets of SEK 51 million and an increase in Other assets of SEK 141 million. The increase in Other liabilities as of 1st January, 2019 was a result of an increase in Lease liabilities of SEK 6,337 million partially offset by decreases in provisions of SEK 122 million and other liabilities of SEK 32 million. The decrease in total equity as of 1st January, 2019 was SEK 244 million. The Group has applied the modified retrospective approach and has not restated comparative periods to reflect the impact of IFRS 16.

IFRS 9 *Financial Instruments*, which applied to the Group from 1st January, 2018, introduced, among other things, a new impairment model based on expected loss rather than incurred loss and a revised model for classification and measurement of financial instruments. The change to the impairment model resulted in a net increase in the Group’s allowance for loan losses of SEK 1,578 million before tax and an overall reduction in the opening balance of 2018 retained earnings of SEK 1,170 million.

IFRS 9’s revised model for classification and measurement of financial instruments is also applicable to the Group as of 1st January, 2018. As a result of the changes to classification, certain holdings that were previously classified as available-for-sale are measured at amortised cost and fair value through profit or loss. In the fourth quarter of 2018, the opening balance of some equity instruments classified as fair value through profit and loss

was restated. The positive effect from the restatement of SEK 884 million reduced the effect on retained earnings from the implementation of IFRS 9 from SEK 3,281 million to SEK 2,396 million. Positive fair value in the amount of SEK 620 million was recognised in the opening balance of 2018 retained earnings. Additionally, the classification of bonds issued by SEB AG, which was renamed DSK Hyp AG on 4th December, 2018, maturing after 2020 was changed to fair value through profit or loss from amortised cost, which reduced the opening balance of 2018 retained earnings by SEK 1,847 million.

The Bank did not adopt IFRS 9 in previous reporting periods, and, as permitted by the transitional provisions, the Bank has not restated comparative periods to reflect the impact of IFRS 9. For more detail regarding the Bank's accounting policies related to IFRS 9, see Note 1 to the 2018 Financial Statements and Note 1a to the 2017 Financial Statements.

In addition, the adoption of IFRS 15 *Revenue from Contracts with Customers* changed the treatment of contract costs for investment contracts within the life business area. The change resulted in a decrease of deferred acquisition costs of SEK 2,640 million, recognised as a reduction in retained earnings in the opening balance of 2017.

### **Restatement of 2017 financial information**

In the 2018 Financial Statements, due to the adoption of IFRS 15 *Revenue from Contracts with Customers*, net fees and commissions were restated in the comparative information for 2017, reducing income by SEK 47 million.

In addition, where indicated, certain figures as of and for the year ended 31st December, 2017 have been restated to reflect the implementation of IFRS 15 *Revenue from Contracts with Customers* effective as of 1st January, 2018 as discussed under “—Implementation of new and amended accounting policies”. Further, certain changes to the presentation of the balance sheet have been made in order to better reflect the measurement categories and accounting principles under IFRS 9 *Financial Instruments* effective as of 1st January, 2018 as discussed under “—Implementation of new and amended accounting policies”.

### **Comparability of information**

Unless otherwise stated, financial information in this Information Memorandum, with respect to each individual division of the Bank or geographic segment does not reflect the elimination of inter-segmental transactions, which are reported at the Group level under “Eliminations”. In addition to these inter-segmental eliminations, the business support units, treasury and staff units are reported under “Investment Management & Group Functions”.

As discussed under “—Restatement of 2018 financial information” above, the financial information by segment for the year ended 31st December, 2017 has not been restated and is not directly comparable with the financial information by segment for the years ended 31st December, 2018 and 2019 and the three months ended 31st March, 2020.

As described under “—Restatement of 2017 financial information” above, where indicated, certain figures as of and for the year ended 31st December, 2017 have been restated to reflect the implementation of IFRS 15 *Revenue from Contracts with Customers* effective as of 1st January, 2018 as discussed under “—Implementation of new and amended accounting policies”.

In addition, as described under “—Restatement of 2017 financial information” above, certain changes to the presentation of the balance sheet have been made in order to better reflect the measurement categories and accounting principles under IFRS 9 *Financial Instruments* effective as of 1st January, 2018 as discussed under “—Implementation of new and amended accounting policies”.

### **Certain non-IFRS financial information**

This Information Memorandum includes certain financial information which has not been prepared in accordance with IFRS. None of this financial information is subject to any audit or review by independent auditors.

In particular, this Information Memorandum includes references to capital and leverage ratios, such as the Tier 1 capital ratio and the Common Equity Tier 1 (CET1) ratio. Although these ratios are not IFRS measures, the Bank believes that they are important to understanding its capital and leverage position, particularly in light of current or planned future regulatory requirements to maintain these ratios above prescribed minimum levels.



The Bank's interpretation of any future planned ratios and the basis of its calculation of these ratios may be different from those of other financial institutions.

## **Presentation of other information**

### ***Capital ratios***

An EU legislative package (which is referred to in this Information Memorandum as **CRD IV**) to implement the key Basel III reforms proposed by the Basel Committee on Banking Supervision (the **Basel Committee**), including Directive 2013/36/EU of the European Parliament and of the Council of 26th June, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **Capital Requirements Directive**) and the associated Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26th June, 2013 on the prudential requirements for credit institutions and investment firms (the **Capital Requirements Regulation**), were implemented in Sweden in 2014. The Capital Requirements Directive and the Capital Requirements Regulation were most recently amended as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms by Directive 2019/878/EU of the European Parliament and of the Council of 20th May, 2019 (the **CRD V Directive**) and Regulation (EU) No. 2019/876 of the European Parliament and of the Council of 20th May, 2019 (**CRR II** and the Capital Requirements Regulation as amended by CRR II, the **CRR**).

Under CRD IV (including as amended by the CRD V Directive), the Bank discloses total, CET1 and Tier 1 capital ratios calculated by reference to its REA.

### ***Rounding***

Certain figures in this Information Memorandum have been subject to rounding adjustments. Numbers in the tables of this Information Memorandum for the three months ended 31st March, 2020 and for the years ended 31st December, 2019 and 31st December, 2018 have not been rounded for the purpose of conforming the sum of the numbers in a column or row of a table to the total figures given for that column or row. Accordingly, in certain instances, the sum of the numbers in a column or row of a table contained in this Information Memorandum may not conform exactly to the total figure given for that column or row. Additionally, in certain instances, the figure "0" is used to indicate that a specific figure has been rounded to 0, whereas a dash indicates that there is no value for that column or row. Percentage change figures are not provided where one or both figures being compared have been rounded to 0.

### **Credit Portfolio**

References in this Information Memorandum to the Group's **credit portfolio** mean all loans and leasing agreements (gross before allowances, but excluding bonds), contingent liabilities and commitments (such as credit commitments, letters of credit and guarantees) and counterparty risks arising in derivatives and foreign exchange contracts (after netting but before collateral arrangements and including additions for potential future exposure as a result of general market movements taking place), but exclude the Group's fixed-income securities portfolio.

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**IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES UNDER THE PROGRAMME, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES.**

**ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the Bank may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Bank becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Bank may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Bank's control. The Bank has identified in this Information Memorandum a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.*

### **Factors that may affect the Bank's ability to fulfil its obligations under Notes issued under the Programme**

#### **Risk Factors related to the Markets and Economies in which SEB operates**

***SEB's business, earnings and results of operations are materially affected by conditions in the global and regional financial markets and by global and regional economic conditions.***

The macroeconomic environment is the major driver of risk to SEB's results of operations and financial condition. Adverse conditions in the general economy and financial markets affect SEB in a number of ways, including, among others, a decrease in the demand for certain loans and other products and services offered by SEB, increased cost of funding, a decrease in net interest income, net interest margin and net fee and commission income, a deterioration in credit quality and a decrease in prices of real estate and real property held as collateral for loans, volatile fair values for many of SEB's financial instruments, higher goodwill impairment charges and increased loan impairment charges, all of which have in the past resulted in lower profitability and may have the same effect in future periods.

With a significant part of its operating profit arising from its Large Corporates & Financial Institutions division, SEB's results of operations are particularly exposed to the risk of weak economic and financial activity and a downturn in the capital markets in general. Throughout a large part of 2019 and the beginning of 2020, leading economic indicators pointed to a further slowdown in global economic growth; this trend has been amplified by the COVID-19 pandemic. Trade conflicts and expanding calls for increased protectionism, continued uncertainties with respect to geopolitical developments and the consequences of Brexit, China's credit tightening and a significant recent worsening of sentiment in Western Europe have resulted in increased and sustained uncertainty in the financial markets. As the outbreak of the COVID-19 virus escalated into a global pandemic in the first quarter of 2020, market volatility reached levels not seen since the financial crisis. As a result, global economic indicators deteriorated rapidly as various measures, including large-scale restrictions on movement, were implemented to contain the spread of the COVID-19 virus. While many of these measures are being gradually lifted, there can be no assurance that similar measures will not be re-imposed should COVID-19 infection rates increase. Moreover, significant uncertainty remains as to when current economic conditions may recover from the deterioration observed since the outbreak of the COVID-19 virus. See *"The outbreak of COVID-19 has impacted and is expected to further adversely impact SEB and its customers, counterparties, employees, and third-party service providers, and could have a material adverse effect on SEB's business, financial position, results of operations, and prospects"* for further information.

The Group's operations in Sweden account for a significant part of its operating profit and the other Nordic countries of Denmark, Finland and Norway are also important to the Group's profitability. Although the Nordic countries, and the Swedish economy in particular, were less affected by global macroeconomic volatility compared to other European countries during 2017 to 2019, economic conditions in Sweden and other Nordic countries have worsened significantly since the outbreak of the COVID-19 virus. While lockdown measures have not been as restrictive in Sweden as in other countries, the Swedish economy is experiencing a rapid and significant increase in redundancies and registered unemployment and declining sentiment in business cycle surveys.

According to Statistics Sweden, the Swedish household sector's total debt in relation to its disposable income has almost doubled over the past 20 years, largely driven by the significant increase in house prices over the same period. Following a correction in house prices in 2017, prices stabilised, and prices and household debt

grew at a more moderate pace up to the beginning of 2020. In April 2020, following the COVID-19 outbreak, SEB's housing price indicator dropped by the largest amount ever recorded, indicating expectations of declining house prices.

While oil prices were relatively stable in 2019, the outbreak of the COVID-19 virus and the consequent significant decrease in demand for oil, coupled with the decision of the Organization of the Petroleum Exporting Countries (OPEC) to remove all limits on oil production in March 2020, caused a sharp drop in oil prices in the first quarter of 2020. While this situation was reversed in part, when OPEC and certain non-OPEC oil-producing countries agreed on 9th March 2020 and 12th April 2020 to temporarily limit production, there can be no assurance that crude oil prices will not decrease further or continue to experience significant volatility. This volatility in oil and gas, as well as other commodity prices have had, and are expected to continue to have, an adverse effect on certain industry sectors in Europe and on Norway, one of SEB's core markets. This is posing renewed challenges for the oil and gas sector, in particular, which could impact some of SEB's corporate and institutional customers.

A sharp decline in real estate prices or a return to weak or negative economic growth in Sweden, the other Nordic countries or the other markets in which SEB operates, including as a result of adverse economic consequences of the COVID-19 pandemic, could have a material adverse effect on SEB's results of operations, business, financial condition, liquidity and/or prospects. Changing market conditions and falling real estate prices could also lead to a deterioration in the quality of SEB's collateral.

The precise nature of all the risks and uncertainties SEB faces as a result of the global economic outlook cannot be accurately predicted and many of these risks are outside SEB's control. No assurance can be given as to future economic conditions in any market or as to the sustainability of economic growth in any of SEB's markets. If economic conditions deteriorate or economic growth is not sustained in any of SEB's main markets, or if there is an economic crisis or significant market volatility, including as a result of the impact of the COVID-19 pandemic, commodity price volatility and/or uncertainties surrounding the exit of the UK from the EU, deflationary pressures in Europe or changes to U.S. foreign and trade policy, SEB's results of operations, business, financial condition, liquidity and/or prospects could be negatively affected.

***The outbreak of COVID-19 has impacted and is expected to further adversely impact SEB and its customers, counterparties, employees, and third-party service providers, and could have a material adverse effect on SEB's business, financial position, results of operations, and prospects***

The outbreak of a novel strain of coronavirus disease, COVID-19, has created a global public-health crisis that has resulted in widespread volatility and deteriorations in household, business, economic, and market conditions. On 11th March, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. The COVID-19 pandemic and governmental responses to the pandemic have had, and continue to have, a severe impact on global economic and business conditions, including significant volatility in financial and commodities markets. Governments and regulatory bodies in affected areas have imposed a number of measures designed to contain the outbreak, including widespread business closures, travel restrictions, quarantines, and cancellations of gatherings and events. While many of these measures are now being lifted, significant restrictions on international travel and certain types of business activity remain. Governments, monetary authorities and regulators have also taken actions to support the economy and financial system, including taking fiscal and monetary measures to increase liquidity and support incomes, and regulatory actions in respect of financial institutions.

Due to the evolving and rapidly changing nature of the COVID-19 pandemic and the various governmental measures implemented to counter or limit the adverse impact of the outbreak, it is not possible at this time to accurately predict the ultimate impact of the outbreak on the global economy, the Swedish economy and/or SEB. The extent of the impact of the COVID-19 pandemic on SEB's business, results of operations, capital, liquidity and prospects will depend on a number of evolving factors, including:

- *The duration, extent, and severity of the pandemic.* COVID-19 does not yet appear to be fully contained and could continue to affect significantly more individuals, households and businesses. The duration and severity of the pandemic cannot be predicted at this time. While infection rates are decelerating in a number of regions as of the date of this Information Memorandum, the adverse impacts of the COVID-19 pandemic on the global economy could continue and result in further volatility and price declines in financial and commodities markets.
- *The response of governmental, monetary and regulatory authorities.* Many actions taken by authorities, such as widespread business closures, travel restrictions, quarantines and the institution of social distancing, have been directed toward curtailing household and business activity to contain COVID-19 while

simultaneously deploying fiscal, monetary and regulatory measures to mitigate the adverse effects on individual households and businesses. In certain regions, measures curtailing travel and business activity have started to be lifted. These actions, whether imposing restrictions or removing them, are not always coordinated or consistent across jurisdictions. The lockdowns of economies globally resulted in significant reductions in production, demand and global trade. Large corporates experienced both demand and supply disruptions as global supply chains were challenged by the national lockdowns. Small and medium-sized corporates in the most exposed sectors, such as tourism and hospitality, experienced a sharp decline in demand, putting the viability of many of the companies and businesses in these sectors at substantial risk. Monetary authorities have also sought to mitigate the economic impact of the pandemic by pursuing accommodative policies. Although as of 1st May, 2020 the Swedish Riksbank (the **Riksbank**) has maintained its repo rate unchanged at 0 per cent., which was raised from –0.25 per cent. in December 2019 and had a positive impact on SEB's deposit margins and therefore its net interest income in the first quarter of 2020, other monetary actions (including those outside Sweden) are meaningfully influencing the interest rate environment, which has adversely affected SEB's net financial income in the first quarter of 2020, and could continue to, adversely affect SEB's results of operations and financial condition.

- *The effect on SEB's borrowers, counterparties, employees, and third-party service providers.* COVID-19 and its associated consequences and uncertainties have affected individuals, households, and businesses differently and unevenly. A substantial amount of SEB's business involves making loans or otherwise committing resources to borrowers, including individuals and companies in various industries. The effect of the COVID-19 pandemic on individual customers is highly uncertain at this early stage of the outbreak, as is the impact of governmental aid and support measures. The economic consequences of the COVID-19 pandemic have become more visible in terms of increasing unemployment, lower consumption, lower inflation expectations and slower housing markets, and are in turn expected to adversely impact corporate and personal borrowers' ability to repay their loans, which could in turn have a material adverse effect on SEB's results of operations, financial condition and/or liquidity. SEB's operational risk may also increase to the extent that counterparties and third-party service providers are adversely affected by COVID-19 or the measures implemented to contain it.

If the COVID-19 pandemic is prolonged or there are further outbreaks of the pandemic, or other diseases emerge that give rise to similar effects, this could have a further adverse impact on the global economy and/or financial markets and, in turn, adversely impact SEB in a number of ways, including as a result of (i) declines in net interest income and non-interest income due to reduced activity or volatility and declining prices in financial, real estate and/or commodities markets, (ii) higher credit losses and increases in the allowances for expected credit losses as a result of SEB's customers' failure to meet existing payment or other obligations to SEB, especially if businesses remain closed, unemployment continues to rise and/or SEB's clients and customers draw on their lines of credit or seek additional loans or payment holidays to help finance their personal or business needs, (iii) a further reduction in demand for SEB's products and services, including loans, deposits and asset management services, (iv) a failure to meet the minimum regulatory capital and liquidity ratios and other supervisory requirements, (v) possible downgrades to SEB's credit ratings; and (vi) disruptions to significant portions of SEB's operations as a result of illness, quarantines, sheltering-in-place arrangements, governmental actions and/or other restrictions imposed by measures intended to contain the pandemic. See also “*Skandinaviska Enskilda Banken AB (publ)—Recent Developments – The impact of the COVID-19 pandemic on SEB*”.

As the effects of the COVID-19 pandemic and government responses thereto become more evident in coming months, the foregoing factors may also have the effect of heightening many of the other risks described in “*Risk Factors*”. For example, SEB's net expected credit losses increased by 50 per cent. in the first quarter of 2020 as a result of additional portfolio-level provisions made in several sectors (SEK 1.1 billion, including SEK 500 million for oil-related exposures) considering the deteriorating macroeconomic outlook and lower oil prices, which in turn had an adverse effect on SEB's operating profit, which decreased by 58 per cent. in the first quarter of 2020. To the extent that the COVID-19 pandemic results in sustained adverse effects on global macroeconomic conditions, financial and commodities markets and the economic environments in which SEB operates, SEB's business, financial position, results of operations, and prospects may be materially adversely affected.

***Negative interest rates and volatility in interest rates have affected and will continue to affect SEB's business and results of operations.***

SEB generally relies on deposits for a significant portion of its funding, which funding is low-cost to SEB due to the relatively low rates paid, in particular in current accounts. SEB's overall net interest margin, which is the

difference between the yield on its interest-bearing assets and the cost of its interest-bearing liabilities as a percentage of interest-bearing assets, varies according to prevailing interest rates and is a significant factor in determining SEB's profitability. Net interest margins vary according to the prevailing level of interest rates and tend to get compressed in a low or negative interest rate environment, such as that which has prevailed in recent years. Continuing low or negative interest rates, further reductions in interest rates or compression of the interest rate spread may result in a decrease in the amount of net interest income generated by SEB and in its net interest margin.

Interest rates are highly sensitive to many factors beyond SEB's control, including fiscal and monetary policies of governments and central banks in the jurisdictions in which SEB operates, which are unpredictable in nature. Central banks have reduced interest rates to record low levels and interest rates have remained low in the major markets in which SEB operates in recent years, and negative in the Eurozone since June 2014 and in Sweden since February 2015. Due to very low inflation, repo rate of the Riksbank was gradually lowered from 1.00 per cent. in 2013 to -0.50 per cent. in early 2016, a level which was retained until December 2018, when the rate was raised to -0.25 per cent. In December 2019, the Riksbank decided to raise the repo rate by 25 basis points to 0 per cent., which is expected to remain unchanged until the end of 2020 according to the Riksbank. The negative repo rate between the years 2015 to 2019 in Sweden adversely affected SEB's:

- deposit margins;
- yield on excess liquidity placed by it with the Riksbank;
- yield on its liquidity bond portfolio and its trading and bond portfolios maintained for client facilitation; and
- fees on its money market funds, as these funds' volumes are reduced as a result of low or zero effective yields and are not placed in other types of funds with SEB.

If the zero interest rate environment in Sweden or the negative interest rate environment in the Eurozone continues for a prolonged period of time, or if negative interest rates return in Sweden, the existing challenges associated with SEB's reluctance to pass the consequences of such interest rates on to retail customers and the challenges associated with passing, to the full extent, the consequences of such interest rates on to its large corporate customers would likely be exacerbated, which would continue to adversely affect SEB's net interest income. While SEB has implemented certain risk management methods to mitigate the interest rate risks to which it is exposed, it is difficult to predict with accuracy changes in economic or financial market conditions and changes in central banks' goals and monetary policies, and to anticipate the effects that such changes could have on SEB's business, financial condition, results of operations, liquidity and/or prospects.

***SEB is exposed to foreign exchange risk, and a devaluation or depreciation of any of the currencies in which it operates could have a material adverse effect on its assets, including its loan portfolio, and its results of operations.***

A substantial portion of loans made by SEB is denominated in currencies other than SEK. A devaluation or depreciation of any such currencies other than SEK in which SEB operates or in which it has loan exposure may require it to take an impairment charge.

Any significant devaluation or depreciation in any currencies in which SEB operates could cause adverse foreign exchange effects on SEB's income statement and equity. SEB's results of operations and financial condition, expressed in SEK, would also be adversely affected by the relative weakness of the currency of any other country in which it operates, including in particular the euro and, to a lesser extent, the U.S. dollar and the Danish and Norwegian krone, compared to the SEK.

Conversely, a depreciation of the SEK against other currencies in which loans are made to customers would result in an increase in SEB's loan portfolio, resulting in growth in REA and a negative impact on capital ratios. In the three months ended 31st March, 2020, fluctuations in the exchange rate between the SEK and the euro, as well as between the SEK and the U.S. dollar resulted in an increase in REA of SEK 16 billion compared to 31st December, 2019. In 2019, fluctuations in the exchange rate between the SEK and the euro, as well as between the SEK and the U.S. dollar resulted in an increase in REA of SEK 10 billion compared to 31st December, 2018. In 2018, fluctuations in the exchange rate between the SEK and the euro, as well as between the SEK and the U.S. dollar resulted in an increase in REA of SEK 18 billion compared to 31st December, 2017.

Exchange rate movements could have a significant effect on SEB's balance sheet positions and, over the long term, its results of operations, which are stated in SEK.

***SEB operates in competitive markets, which could have an adverse effect on its financial condition and results of operations.***

SEB is subject to significant competition in the markets in which it operates. Competition has increased and may increase in the future in some or all of SEB's markets as a result of legislative, regulatory, technological or other factors. Increased competition could cause SEB to lose business or compel it to price products and services on less advantageous terms, or otherwise have an adverse effect on its business, financial condition, results of operations and prospects. Competition in the banking and financial services industry is impacted by consolidation, at both national and international levels, digitalisation, new technologies and regulation, and this trend may impact SEB in the principal markets in which it operates. Competition from new market entrants, including alternative providers of financial services in the so-called fin-tech space, is changing the competitive landscape rapidly and significantly, including by challenging historical banking business models, products, delivery channels and customer expectations. It is difficult to predict with certainty how such technological changes may shape the competitive landscape. Although SEB believes its businesses are well suited to compete effectively in such an environment, it may experience stronger competition for corporate, institutional and retail clients and increased pressure on profit margins as well as other pricing pressures on its products and services, particularly as competitors seek to build their market share, which may harm SEB's ability to maintain or increase profitability and adversely affect SEB's business, financial condition, results of operations, liquidity, markets and prospects.

***Catastrophic events, terrorist acts, acts of war or hostilities, pandemic diseases, geopolitical, climate-related or other unpredictable events could have a negative impact on SEB's business and results of operations.***

Catastrophic events, terrorist acts, acts of war or hostilities, pandemic diseases (including the recent outbreak of the COVID-19 virus), geopolitical, climate-related or other unpredictable events and responses to those acts or events may create economic and political uncertainties, which could have a negative impact on Swedish, European and international economic conditions generally and, more specifically, could interrupt SEB's business and result in substantial losses. Such events or acts and losses resulting therefrom are difficult to predict and may relate to property, financial assets, trading positions or key employees as well as a material adverse impact on borrowers' credit quality. If SEB's business continuity plans do not address such events or cannot be implemented under the circumstances, such losses may increase. Unforeseen events can also lead to increased operating costs, such as higher insurance premiums and the need for redundant back-up systems. Insurance coverage for certain risks may also be unavailable and thus increase SEB's risk. SEB's inability to effectively manage these risks could have a material adverse effect on its business, results of operations and financial condition.

**Risk Factors related to SEB's operations**

***SEB has significant credit risk exposure and is exposed to the risk of a deterioration of its credit portfolio which could lead to increased credit provisioning.***

SEB is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. An adverse economic environment or industry or counterparty-specific dynamics affecting SEB's borrowers, such as regulatory changes or rapid market evolution, could result in a deterioration of SEB's credit portfolio. The specific challenges arising from deterioration of the global and regional economic environments as a result of the COVID-19 pandemic may result in a material adverse impact on SEB's credit risk exposure. See also "*The outbreak of COVID-19 has impacted and is expected to further adversely impact SEB and its customers, counterparties, employees, and third-party service providers, and could have a material adverse effect on SEB's business, financial position, results of operations, and prospects*" and "*Skandinaviska Enskilda Banken AB (publ)—Recent Developments – The impact of the COVID-19 pandemic on SEB*".

Any significant increase in the size of SEB's allowance for loan losses in the future could have a material adverse effect on its financial position and results of operations. SEB's allowances for losses on loans are based on, among other things, its analysis of current and historical delinquency rates and loan management, its customers' likely repayment capacity and the valuation of the underlying assets, as well as numerous other management assumptions, including macroeconomic assumptions. These internal analyses and assumptions may give rise to inaccurate predictions of credit performance and SEB may experience unexpected reductions in profitability or increased losses as a result. SEB's performance may also be affected by future recovery rates on assets and the historical assumptions underlying asset recovery rates, which may no longer be accurate.

***SEB is exposed to declining property values on the collateral supporting household mortgages as well as lending to residential and commercial real estate and housing co-operative associations.***

SEB's total credit portfolio as of 31st March, 2020 was SEK 2,587 billion, of which household mortgage exposure amounted to 23 per cent., or SEK 606 billion (of which SEK 533 billion, or 21 per cent. of the total credit portfolio, was household mortgage exposure in Sweden), and real estate management exposure amounted to 15 per cent., or SEK 395 billion (of which SEK 196 billion, or 8 per cent. of the total credit portfolio, was commercial real estate exposure, and SEK 135 billion, or 5 per cent. of the total credit portfolio, was residential real estate exposure) and SEK 64 billion, or 2 per cent. of the total credit portfolio, was housing co-operative association exposure.

SEB applies a cash-flow based credit policy that focuses on the repayment capacity of the customer when extending credit. This policy also applies to all lending backed by residential or commercial real estate. The COVID-19 outbreak has resulted in significant decreases in consumption and increases in unemployment in the Nordic and Baltic regions. Any future economic downturn in the Nordic and Baltic regions as a result of such developments could adversely affect SEB's commercial and residential property lending portfolio and household mortgage portfolio and generate increases in impairment losses, which could materially affect SEB's financial condition and results of operations. In addition, and particularly given the relatively significant increase in Swedish house prices since the 1990s and the rapid growth in household debt in Sweden, the effects of any future significant decline in property values on the wider economy may also contribute to higher default rates and impairment losses on non-property commercial and consumer loans. Moreover, declining residential property values in Sweden may also have a material adverse effect on SEB's ability to issue Covered Bonds, its most important source of wholesale funding and therefore on its financial condition, liquidity and prospects.

***SEB requires significant funding to service its indebtedness and relies on the credit and capital markets to meet a significant part of its funding needs.***

As of 31st March, 2020, the amount of outstanding long-term senior unsecured and mortgage covered bond funding scheduled to mature within one year and Tier 2 and Additional Tier 1 issuances, which could be called on their respective first call dates, and require refinancing was SEK 153 billion, excluding public covered bonds issued by DSK Hyp AG. An additional SEK 150 billion and SEK 128 billion are scheduled to mature or may be called on their respective first call dates within two and three years, respectively. Future disruptions, uncertainty or volatility in the capital and credit markets, which have been particularly volatile since March 2020 as a result of the effects of the COVID-19 outbreak, could limit SEB's ability to refinance maturing liabilities with long-term funding. The availability to SEB of any additional financing it may need will depend on a variety of factors, such as market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, the volume of trading activities, SEB's financial condition, its credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of SEB's financial prospects. In particular, SEB's access to funds may be impaired if regulatory authorities impose additional regulatory capital requirements or rating agencies downgrade SEB's credit ratings.

In addition, like many banks, SEB relies on customer deposits to meet a substantial portion of its funding requirements. Such deposits are subject to fluctuation due to certain factors outside SEB's control, such as any possible loss of confidence and competitive pressures, which could result in a significant outflow of deposits within a short period of time. Any material decrease in SEB's deposits could have a negative impact on SEB's liquidity.

***SEB is subject to the risk that liquidity may not always be readily available.***

Liquidity risk is the risk that a bank will be unable to meet its obligations, including funding commitments, as they fall due. This risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters.

SEB's liquidity management focuses on maintaining a diverse and appropriate funding strategy for its operations, controlling the diversity of its funding, monitoring and managing the maturity dates of its debts and carefully monitoring its undrawn commitments and contingent liabilities toward customers. However, SEB's internal sources of liquidity may prove to be insufficient and, in such case, SEB may not be able to successfully obtain additional financing on favourable terms or at all, which could have a material adverse effect on SEB's liquidity and prospects. Additionally, any liquidity constraints that arise in the funding market, or even a perception among market participants that a financial institution is experiencing greater liquidity risk can cause



significant damage to the institution's funding sources. SEB's funding base comprises deposits and borrowing from the public (excluding repos), deposits from central banks, deposits from credit institutions (excluding repos), debt securities, including Covered Bonds, and subordinated debt. If SEB's funding sources become volatile or are unavailable, including as a result of disruption in the capital markets, SEB's access to liquidity and cost of funding could be adversely affected as SEB would be required to utilise other, more expensive, sources to meet its funding needs, such as collateralised borrowing or asset sales.

***SEB's borrowing costs and its access to the debt capital markets depend significantly on its credit ratings.***

SEB's credit ratings are important to its business. SEB's long-term senior unsecured ratings as of the date of this Information Memorandum are Aa2, A+ and AA- by Moody's, S&P and Fitch, respectively. In March 2020, Fitch placed SEB's rating on negative watch due to the downside risks posed by the COVID-19 outbreak.

SEB's credit ratings are subject to change and could be downgraded as a result of many factors, including the failure of SEB to successfully implement its strategies. Declines in those aspects of SEB's business identified by the rating agencies as significant or otherwise could adversely affect the rating agencies' perception of SEB's credit and cause them to take negative ratings actions. Any downgrade in SEB's credit ratings or the threat of a potential downgrade could:

- adversely affect its liquidity and competitive position;
- undermine confidence in SEB;
- increase its borrowing costs;
- limit its access to the capital markets; and/or
- limit the range of counterparties willing to enter into transactions with SEB, as many institutions require their counterparties to satisfy minimum ratings requirements.

A downgrade of SEB's credit ratings could also lead to a loss of customers and counterparties which could have a material adverse effect on its business, results of operations and financial condition or on the market price of the Notes.

***SEB could be negatively affected by the soundness or the perceived soundness of other financial institutions and counterparties.***

Given the high level of interdependence between financial institutions, SEB is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions. This is particularly relevant to SEB's franchise as an important and large counterparty in equity, fixed-income and foreign exchange markets, including related derivatives, which exposes it to concentration risk. Within the financial services industry, the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, one or more financial services institutions may lead to market-wide liquidity problems and losses or defaults by SEB or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom SEB interacts on a daily basis.

In addition, SEB is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations SEB holds could result in losses and/or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of SEB's counterparties could also have a negative impact on SEB's income and risk weighting, leading to increased capital requirements. While in many cases SEB is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral SEB is entitled to receive and the value of pledged assets. SEB's credit risk may also be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to SEB, which is most likely to occur during periods of illiquidity and depressed asset valuations. The termination of contracts and the foreclosure on collateral may subject SEB to claims for the improper exercise of

its rights. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Any of these developments or losses could materially and adversely affect SEB's business, financial condition, results of operations, liquidity and/or prospects.

***A significant part of SEB's Swedish household mortgage portfolio comprises the Cover Pool for the Covered Bonds issued by SEB and the claims of holders of SEB's unsecured obligations rank after the claims of holders of covered bonds and certain derivatives counterparties.***

As of 31st March, 2020, a significant part of the Group's Swedish household mortgage portfolio was in the Cover Pool against which SEB issues Covered Bonds. Under Swedish regulations, only that part of the residential mortgage loan that is below 75 per cent. of the loan-to-value is eligible to be in the Cover Pool at origination. As of 31st March, 2020, approximately 64 per cent. of the Cover Pool, or SEK 398 billion, had been used for the issuance of, and security for, outstanding Covered Bonds. Outstanding Covered Bonds represented 12 per cent. of SEB's total assets as of 31st March, 2020, 15 per cent. of SEB's total assets as of 31st December 2018 and 16 per cent. of SEB's total assets as of 31st December 2017. The mortgage loans in the Cover Pool do not form part of the general assets of SEB that would be available to holders of Notes other than Covered Bonds in the case of insolvency or liquidation of SEB, although any excess proceeds from liquidation of the mortgage loans, after satisfaction of the claims of Covered Bond holders, would be available to unsecured creditors, including the holders of Notes. The growth of SEB's mortgage lending will continue to be funded through the additional issuance of Covered Bonds which will be secured by Swedish residential mortgages to the extent stipulated by the Swedish Covered Bond Act. The claims of holders of Notes that are unsecured obligations of SEB rank after the claims of holders of Covered Bonds and counterparties under derivatives contracts entered into for hedging purposes in relation to such Covered Bonds to the extent of their claims against the assets in the Cover Pool in respect of outstanding Covered Bonds should SEB become insolvent or be liquidated.

***SEB is exposed to changes in the fair value of its holdings of financial instruments and a decline in net trading income.***

SEB's holdings of fair value financial instruments amounted to SEK 1,078 billion at 31st March, 2020. Market fluctuations and volatility may adversely affect the fair value of these instruments. For investment, treasury and client trading purposes, SEB maintains portfolios of fixed-income securities, which mainly include government bonds, covered bonds, bonds issued by financial institutions and asset-backed securities. Net of short positions, the total amount of fixed-income securities amounted to SEK 306 billion as of 31st March, 2020 compared to SEK 216 billion, SEK 135 billion and SEK 148 billion as of 31st December, 2019, 2018 and 2017, respectively. The principal risk for SEB's fixed-income securities is credit spread risk, meaning that SEB could experience losses in the event of sudden and material deteriorations in the credit quality of securities held within its fixed-income securities portfolios. Approximately 18 per cent. of SEB's fixed-income securities had floating rate coupons as of 31st March, 2020. Although SEB hedges the part of its fixed-income securities portfolios that has fixed coupons against changes in interest rates, there can be no assurance that such hedges will fully mitigate the negative effect of adverse movements in interest rates, and, to that extent, SEB's fixed-income securities portfolios are also exposed to interest rate risk. For example, during the first quarter of 2020, the COVID-19 pandemic led to widened credit spreads and unfavourable developments in interest rates and equity values, which affected SEB's fair value credit adjustment (reflecting unrealised valuation changes from counterparty risk and own credit risk standing in derivatives).

In addition, a substantial portion of SEB's fixed-income portfolios are marked to market on a daily basis. Valuations in future periods, reflecting then-prevailing market conditions, may result in negative changes in the fair values of SEB's exposure. In addition, the value ultimately realised by SEB may be lower than the current or estimated fair value. Any of these factors could require SEB to recognise valuation losses or realise impairment charges, which may adversely affect its business, financial condition, results of operations, liquidity and prospects.

***Effective management of SEB's capital is critical to its ability to operate and grow its business.***

Effective management of SEB's capital is critical to its ability to operate and grow its business and to pursue its strategy. SEB is required by regulators in Sweden and in other jurisdictions in which it undertakes regulated activities to maintain adequate capital. SEB seeks to mitigate the risk of not meeting capital adequacy requirements by careful management of its balance sheet and capital, through capital raising activities and disciplined capital allocation. However, any change that limits SEB's ability to effectively manage its balance

sheet and capital resources (including, for example, reductions in profit and retained earnings as a result of credit losses, write-downs or otherwise, increases in REA (which are typically pro-cyclical, resulting in risk weighting increasing in economic downturns), delays in the disposal of certain assets, the inability to syndicate loans as a result of market conditions or otherwise or the effects of new regulatory requirements) could have a material adverse impact on its business, financial condition, results of operations, liquidity and/or prospects.

***SEB is exposed to insurance risk through its life insurance business.***

SEB's traditional life insurance business is subject to the risk of declines in the market values of its asset portfolios. The principal effect of declining market values on the unit-linked and portfolio bond business is to reduce income, as a significant portion of the fee income from this business is related to the value of assets under management. In the first quarter of 2020, the COVID-19 pandemic and its significant impact on the financial markets had an adverse effect on the value of SEB's assets under management and therefore on SEB's income. SEB's traditional life insurance business is also subject to the risk of falling long-term interest rates, as its traditional insurance contracts guarantee specified benefits to the policyholder at maturity. Since the divestment of its Danish life insurance subsidiaries, SEB Pensionsforsikring A/S and SEB Administration A/S (together, **SEB Pension**) in June 2018, SEB's traditional life insurance business is mainly written in Sweden. In the traditional life insurance business, despite mitigating risk buffers that are a feature of the product, SEB bears the ultimate risk if investment returns over time are not sufficient to service the guarantees given to policyholders and, if investment returns remain depressed for extended periods, additional reserves may need to be established. SEB has, from time to time, made provisions to cover capital shortfalls in the traditional portfolios of SEB Pension och Försäkring AB. Although these provisions are generally recovered in subsequent years as investment returns improve, there can be no assurance that they will be so recovered and that further provisions will not be required in the future. As of 31st March, 2020, SEB's outstanding accumulated provisions, which have been reported in SEB's income statement as they occur, amounted to SEK 168 million. Provisions made in the first quarter of 2020 amounted to SEK 72 million.

In addition, SEB's life insurance business inherently faces the risk of volatility in the amount and timing of claims caused by unexpected changes in mortality, longevity, morbidity and expenses. Mortality risk is the risk of deviations in timing and amounts of cash flows (premiums and benefits) due to the incidence or non-incidence of death. Longevity risk is the risk of such deviations due to increasing life expectancy trends among policyholders and pensioners, resulting in pay-out ratios higher than those the insurance company originally accounted for. Morbidity risk is the risk of deviations in timing and amount of cash flows (such as claims) due to the incidence or non-incidence of disability and sickness. Expense risk is the risk that changes of the expenses incurred in servicing insurance or reinsurance contracts affect the value of insurance liabilities. Material changes in relation to any of these insurance risks or the inability of SEB to successfully manage these risks could adversely affect SEB's business, financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage.

***SEB may be required to make provisions for its pension schemes, or further contributions to its pension foundations, if the value of pension fund assets is not sufficient to cover potential obligations.***

SEB maintains a limited number of defined benefit pension schemes for past and current employees. The pension obligations under these schemes are partly secured by foundations established for that purpose. The foundations' assets comprise investment portfolios that are held to meet SEB's projected liabilities to the scheme members. Risk arises from the schemes because the value of these asset portfolios and returns from them may be less than expected and because there may be greater than expected increases in the estimated value of the schemes' liabilities. In these circumstances, SEB could be obliged, or may choose, to make provisions for its pension schemes or additional contributions to the foundations. During the past three years SEB has not made any contribution to its Swedish pension foundations. In 2017, 2018 and 2019, SEB made a contribution to its German pension foundation equivalent to the service cost. In the second quarter of 2018, the vast majority of the pension obligations in the German pension foundation were transferred to BVV Versicherungsverein des Bankgewerbes a.G. in line with an agreement that SEB AG (now DSK Hyp AG) entered into in the fourth quarter of 2017. SEB may, in the future, be required or elect to make provisions for its pension schemes or further contributions to the pension foundations, which could be significant and have a material adverse effect on SEB's equity position.

***SEB's card business may be affected by fraud, credit losses and delinquencies, as well as regulatory and technological changes.***

SEB operates a card business primarily in the Nordic countries and faces the risk of reduction of earnings and credit losses from this business due to fraud and delinquencies. Fraud losses are generally higher in the

corporate card sector (due to more frequent international travel among corporate card users), which forms a significant part of SEB's card business. Although SEB has instituted increased monitoring procedures to protect against incidents of fraud, there can be no assurance that fraudulent incidents will not increase in the future from their current low levels. Further, high delinquency rates in payments by customers on cards and high credit loss rates result in increases in credit loss provisions and write-offs as well as increases in monitoring costs. These may have a negative effect on SEB's financial performance. Changes in consumer behaviour due to economic conditions could also cause a reduction in consumer, as well as corporate, demand and spending. If accountholders carry reduced balances or fail to pay their balances due to the effects of adverse economic conditions, interest and fee income could decline, credit losses could increase and SEB's performance could be negatively affected.

SEB's card business is also subject to new and changing regulations, including the Single Euro Payments Area initiative, interchange fees regulations, Payment Services Directive 2, anti-money laundering and know-your-customer regulations, including Anti-Money Laundering Directive 4 (AML 4). These regulations impose additional compliance procedures and information requirements for customers, are likely to result in increased regulation in this business area within the EU and may lead to higher costs, pressure on fees and reduced earnings as well as changed business models and revenue streams.

Furthermore, the payments business is characterised by rapid technological development, which, in combination with increased competition (including new entrants), increases business risks for card network-based payment solutions. If SEB does not keep pace with technological developments, this may adversely affect the competitiveness of SEB's card business and may increase risks of fraudulent incidents.

***As a financial institution, SEB is exposed to risks related to money laundering, terrorist financing activities and sanctions violations, and compliance with anti-money laundering and anti-terrorism financing rules involves significant cost and effort.***

In general, the risk that banks will be subjected to, or used for, money laundering has increased worldwide. The risk of money laundering occurring is higher in emerging markets (including the Baltics, as well as Russia and Ukraine where SEB has small operations) due to, among other factors, high turnover of employees, the difficulty in consistently implementing related policies and technology systems, and the general business conditions in these countries compared to Sweden or other more developed markets where SEB operates.

A number of money laundering cases were brought to light in 2018 in the Baltic region, where SEB has operations. Following the money laundering cases, SEB undertook a review of its customer flows in the Baltics. On 26th November, 2019, SEB published historical non-resident flows in Estonia for the years 2005 to 2018, of which EUR 25.8 billion (Euro equivalent amount) related to low-transparency non-resident Estonian customer flow. SEB is involved in processing transactions with a very large number of counterpart banks, including in the Baltic region, and relies in part on its counterpart banks having effective anti-money laundering policies and procedures. Over the past years, regulators have been particularly focused on anti-money laundering procedures and regulations, which continue to evolve. Anti-money laundering policies and procedures may not always be effective to prevent instances of money laundering or terrorism financing. As part of its regular supervisory activities, a review of the implementation of AML 4 in the Latvian branch of the SEB (SEB Latvia), initiated in 2017, was concluded by the Latvian financial supervisory authority in December 2019, resulting in an administrative fee of EUR 672,684 for SEB Latvia. In addition, SEB Latvia detected and reported a single case in relation to the European sanctions list where it had not entered correct information regarding a customer's direct owner that was added to the European sanctions list after it had onboarded the customer. In relation to the case, SEB Latvia paid an administrative fee of EUR 1,121,140 agreed with the Latvian financial supervisory authority in line with its procedures for regulatory reviews.

On 27th November, 2019 the Sveriges Television programme *Uppdrag granskning* aired an episode in which it alleged that SEB was used by persons engaged in money laundering violations. SEB has responded to these allegations, noting that of the list of 194 corporate customer names received from *Uppdrag granskning*, approximately 95 per cent. of the customer relations are terminated and were, in all material respects, covered by the Bank's own assessment. There can be no assurance that historically AML regulatory requirements or the banking system's or entities' ability have been sufficient to prevent or handle risks of money laundering. While SEB's ability to prevent, detect and report suspected financial crime has increased over time, there can be no assurance that SEB has not been used nor that SEB will not be used by persons or entities engaging in money laundering violations. In addition, allegations of past violations, including as a result of back-testing or re-analysing data, may result in adverse reputational and regulatory consequences for SEB, and may lead to fines or remedial consequences for SEB, which could be material.

The Swedish Financial Supervisory Authority (the **SFSA**) conducted a review of the management and control of money laundering risks in the Baltic countries in cooperation with the local supervisory authorities. The financial supervisory authorities in each of the Baltic countries simultaneously conducted reviews to assess each of SEB's Baltic subsidiaries' compliance with local regulations. In December 2019, the SFSA announced that it had initiated a sanction evaluation process regarding SEB's governance and control measures against money laundering in its Baltic subsidiaries. On 25th June, 2020 the SFSA announced the outcome of its review and the reviews undertaken by the financial supervisory authorities in each of the Baltic countries were also concluded by this date. Both the SFSA and the Estonian supervisory authority have, among other things, imposed fines on SEB of SEK 1 billion and EUR 1 million, respectively (see "*Skandinaviska Enskilda Banken AB (publ)—Recent Developments – The SFSA publishes its findings following its supervisory review of SEB*" for further details).

In addition, SEB is required to comply with a number of international sanctions regimes, including those of the EU, the United Nations, the United States and a number of other countries. A wide range of countries, organisations and individuals may be subject to sanctions under these regimes. While the Group takes steps to screen transactions against sanctions lists, these procedures may not always be effective or may require significant cost and effort, and the complexity of banking operations and evolving nature of sanctions (including extending the reach to a greater number of individuals or activities) may increase this risk.

As a result, the risk of future incidents and allegations in relation to money laundering and sanctions violations always exists for SEB. Any violation of anti-money laundering rules or sanctions regimes, or even the suggestion of violations, may have severe legal and reputational consequences for SEB, especially in terms of its business relations with institutions based or active in the United States, and may, as a result, materially and adversely affect SEB's business, results of operations and prospects.

***SEB's guidelines and policies for risk management may prove inadequate for the risks faced by its businesses currently or as a result of new, emerging risks.***

The management of business, regulatory and legal risks requires guidelines and policies for the accurate identification, measurement and control of a large number of transactions and events. Such guidelines and policies may not always be adequate. Some of the measures taken by SEB to manage various risks are to enter into hedging transactions to manage market risks, to issue credit risk limits for each counterparty to which SEB is exposed in its lending business, to have sufficient security for credits provided, and to do customary due diligence to manage legal risks. Some of these and other methods used by SEB to manage, estimate and measure risk, such as value-at-risk (VaR) analyses, are based on historic market behaviour. The methods may therefore prove to be inadequate for predicting future risk exposure, which may prove to be significantly greater than what is suggested by historic experience or may not reflect political risks and geopolitical developments. Historical data may also not adequately allow prediction of circumstances arising due to government interventions and stimulus packages, which increase the difficulty of evaluating risks. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to SEB. Such information may not always be correct, updated or correctly evaluated. Furthermore, banking products, markets and distribution channels are evolving rapidly as result of digitalisation and technological advances, and current risk management guidelines and policies may not be adequate to identify, measure and address risks emerging from such developments on a timely basis. Lastly, the speed of development and lack of historical precedent in certain of these developments result in challenges to modelling or timely anticipating risks from new technologies in the banking sector.

***Weaknesses or failures in SEB's internal processes and procedures and other operational or reputational risks could have a negative impact on its financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage.***

SEB's businesses are dependent on their ability to process and report accurately and efficiently a high volume of complex transactions across numerous and diverse products and services, in different currencies and subject to a number of different legal and regulatory regimes. Operational risks are present in SEB's businesses, through inadequate or defective internal processes (including financial reporting and risk monitoring processes) or from people-related events (including the risk of fraud and other criminal acts carried out against SEB, misconduct or errors by employees, violations of internal instructions and policies and failure to document transactions properly or obtain proper authorisation) or external events (including natural disasters or the failure of external systems). The increasing presence of new technologies and outsourcing or third party solutions in the banking sector may also increase operational risk. There can be no assurance that the risk controls, loss mitigation and other internal controls or actions in place within SEB will be effective in controlling each of the operational risks faced by it. Any weakness in these controls or actions could result in a material adverse impact on SEB's

business, financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage.

SEB's reputation is one of its most important assets. Negative public opinion may adversely affect SEB's ability to keep and attract customers, depositors and investors, as well as its relationships with regulators and the general public. SEB cannot ensure that it will be successful in avoiding damage to its business from reputational risk, including from negative public opinion from causes such as activities of business partners over which SEB has limited or no control or from unanticipated consequences of using new technologies in the banking sector.

***The information technology and other systems on which SEB depends for its day-to-day operations may fail for a variety of reasons that may be outside its control. SEB is also subject to the risk of infrastructure disruption, cyberattacks or other effects on such systems.***

SEB's operations are dependent on its ability to process and monitor, on a daily basis, a large number of transactions, many of which are complex, across numerous and diverse markets, and in many currencies. SEB's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or may become disabled due to, for example, a spike in transaction volume, failures of communications networks or incidents with third-party software, which may have an adverse effect on SEB's ability to process transactions or provide services. In addition, other factors which could cause SEB's operating systems to fail or not operate properly include a deterioration in the quality of information technology (IT) development, support and operations processes and, in particular, high turnover of employees, resulting in an inadequate number of personnel to handle the growth and increasing complexity of operations. Despite SEB's significant expenditures on its IT systems, there can be no assurance that these expenditures will be sufficient or that its IT systems will function as planned. Any disruption in SEB's IT or other systems, whether as a result of internal or third party failure, may have a material adverse effect on its business, financial condition, results of operations and/or prospects.

Despite the contingency plans and facilities SEB has in place, its ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the businesses and the countries in which it is located. This may include a disruption involving electrical, communications, transportation or other services used by SEB or third parties with which it conducts business, or a catastrophic event involving any location where SEB has a significant operational base.

SEB's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. SEB's computer systems, software and networks may be vulnerable to unauthorised access or malicious hacking, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact. The threat to the security of SEB's information held on customers from cyber-attacks continues to increase. Activists, rogue states and cyber-criminals are among those targeting computer systems. Risks to technology and cyber-security change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attacks, it is possible that future attacks may lead to significant breaches of security. Any such breaches may expose SEB to significant legal as well as reputational harm, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

If one or more of such events occur, any one of them potentially could jeopardise the confidential and other information of SEB, its clients or its counterparties. SEB may be required to spend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures. It may also be subject to litigation and financial losses as well as reputation risks that are either not insured against or not fully covered through any insurance maintained by SEB. The occurrence of any of these events could materially and adversely affect SEB's business, financial condition, results of operations or prospects.

***SEB may incur significant costs and increased operating risk in developing and marketing new products and services.***

SEB's success depends, in part, on its ability to adapt products and services to evolving industry standards and customer expectations. There is increasing pressure to provide products and services at lower prices or to use new technologies for the distribution of, or access to, banking products and services. These trends can reduce net interest income and non-interest income from fee-based products and services. In addition, the widespread adoption of new technologies could require SEB to make substantial capital expenditures to modify or adapt existing products and services or develop new products and services. SEB may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products may not achieve market acceptance or generate the anticipated return to SEB. As a result, SEB could lose

business, be forced to price products and services on less advantageous terms to retain or attract clients, or be subject to cost increases.

***In order to compete successfully, SEB is dependent on highly skilled individuals; SEB may not be able to retain or recruit key talent.***

SEB's performance is largely dependent on the talents and efforts of highly skilled individuals. SEB's continued ability to compete effectively in its businesses and to expand into new businesses and geographic areas depends on SEB's ability to attract new employees and to retain and motivate its existing employees. This ability may be adversely affected by regulations affecting the manner in which SEB is permitted to remunerate its employees. Competition from within the financial services industry, including from other financial institutions, hedge funds, private equity funds and venture capital funds, and, increasingly, from businesses outside the financial services industry, for key employees is intense. This may impact SEB's ability to take advantage of business opportunities or potential efficiencies. The occurrence of any of these events could materially and adversely affect SEB's business, financial condition, results of operations or prospects.

***SEB's accounting policies and methods are critical to how it reports its financial condition and results of operations. They require management to make estimates about matters that are uncertain.***

Accounting policies and methods are fundamental to how SEB records and reports its financial condition and results of operations. Management must exercise judgment in selecting and applying many of these accounting policies and methods so they comply with IFRS.

Management has identified certain accounting policies in the notes to its financial statements as being critical because they require management's judgment to ascertain the valuations of assets, liabilities, commitments and contingencies. See Note 1 to the 2019 Financial Statements. These judgments include, for example, the non-consolidation of Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (**Gamla Liv**) into the life insurance operations of the Group. As of 1st January, 2018, SEB applies IFRS 9 Financial Instruments for calculating expected loss. When calculating expected credit loss there are a number of key concepts that require a high level of judgment. Estimating expected credit loss is, by its very nature, uncertain and the accuracy of these estimates depends on many factors, including macro-economic forecasts, and involves complex modelling and judgments. The assessment of significant increase in credit risk is a new concept under IFRS 9 and requires significant judgment. SEB uses both models and internal expert credit judgement in order to determine expected credit losses. The degree of judgment that is required to estimate expected credit losses depends on the outcome from calculations, materiality and the availability of detailed information.

Because of the uncertainty surrounding SEB's judgments and the estimates pertaining to these matters, SEB cannot guarantee that it will not be required to make changes in accounting estimates or restate prior period financial statements in the future.

***Any impairment of goodwill and other intangible assets would have a negative effect on SEB's financial position and results of operations.***

SEB conducts impairment tests on goodwill and other intangible assets at least once a year or whenever there are indications of a possible impairment of any such assets. For example, in 2017, SEB recorded an impairment and derecognition of intangible IT assets no longer in use in the amount of SEK 978 million. Any future impairments or derecognitions may also have a material adverse effect on SEB's financial position and results of operations.

### **Risk Factors related to the Regulatory Environment**

***SEB is subject to a wide variety of banking, insurance and financial services laws and regulations, which could have an adverse effect on its business.***

SEB is subject to a wide variety of banking, insurance and financial services laws and regulations and faces the risk of significant interventions by a number of regulatory and enforcement authorities in each of the jurisdictions in which it operates.

Regulation of financial markets and banking has changed substantially as a result of the global financial crisis in 2008. SEB is facing greater regulation in the jurisdictions in which it operates. Compliance with such regulations has increased SEB's capital requirements, exposed it to additional costs and liabilities, and has affected how SEB conducts its business, including collateral management, and may, in future, have other adverse impacts on its business, the products and services it offers and the value of its assets. This is particularly the case in the current market environment, which is experiencing increased levels of government and

regulatory supervision, intervention and enforcement in the financial sector, which SEB expects to continue for the foreseeable future. Supervisory authorities regularly conduct reviews of SEB's regulatory compliance, including in areas such as financial stability, transaction reporting, anti-money laundering, investor protection and data privacy. SEB has policies and procedures in place to ensure compliance with applicable rules and regulations. Future changes in regulation, fiscal or other policies are unpredictable and beyond SEB's control and could materially adversely affect SEB's business, financial condition and results of operations. As a result, SEB may become involved in various disputes and legal proceedings in Sweden and other jurisdictions, including litigation and regulatory investigations. These disputes and legal proceedings are subject to many uncertainties and their outcomes are often difficult to predict, particularly in the earlier stages of a case or investigation.

Recent regulations which have impacted and are expected to continue to impact SEB include the Basel III framework as implemented by CRD IV, including the higher capital requirements adopted by the SFSA, and the BRRD (as defined below) which was first implemented in Sweden on 1st February, 2016. See “—*SEB is and will continue to be subject to increased capital requirements and standards due to governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may need additional capital in the future, which capital may be difficult and/or costly to obtain*” below. In addition, SEB's life insurance companies are affected by new EU solvency requirements which became effective in Sweden on 1st January, 2016. The resolution fee for Swedish banks increased from 9 basis points to 12.5 basis points in 2018, then reduced to 9 basis points for 2019 and to 5 basis points in 2020, which will be the level at which this fee is levied until the fund's target is met. Once the fund's target is met, fees will be levied to match deposit growth to ensure that the fund's target level is maintained. Other regulations that have been implemented recently, including the General Data Protection Regulation (**GDPR**), MiFID II, AML 4 and Payment Services Directive 2, have resulted in new demands on operational processes, systems and resources.

***SEB is and will continue to be subject to increased capital requirements and standards due to governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may need additional capital in the future, which capital may be difficult and/or costly to obtain.***

#### *Increased capital requirements*

Regulation and supervision of the global financial system remains a priority for governments and supranational organisations following on from the financial crisis. At the international level, a number of initiatives have been and are being implemented which increase capital requirements, increase the quantity and quality of capital, and raise liquidity levels in the banking sector.

Governments in some European countries (including Sweden) have increased the minimum capital requirements for banks domiciled in these countries above the increased capital requirements of the Basel III and CRD IV frameworks. The major Swedish banks have been required to maintain a CET1 ratio of at least 12 per cent. since 1st January, 2015, calculated according to the CRD IV capital adequacy framework without transitional rules. In addition, the full implementation of CRD IV in Sweden (which included SFSA implementation of Pillar 2 and the buffer requirements of CRD IV) during 2015 increased capital requirements further.

Effective 1st January, 2015, the SFSA increased the previous 15 per cent. risk weight floor for Swedish residential mortgages to 25 per cent. This measure has required SEB to hold more capital for these risk exposures. In addition, on 23rd August, 2018, the SFSA replaced the current risk weight floors of 25 per cent. on residential mortgage exposures under Pillar 2 with a corresponding Pillar 1 requirement. This change entered into force on 31st December, 2018 and lowered SEB's CET1 ratio by 2.6 percentage points.

In December 2017, the Basel Committee released the Basel IV framework with the objective of reducing excessive variability of risk-weighted assets. The Basel Committee has enhanced the requirements for robustness and risk sensitivity of the standardised approaches for credit risk and operational risk and has constrained the use of internal models. The Basel Committee has also removed the internal model for operational risk, which SEB currently uses, from the regulatory capital framework as well the option to use the Advanced-Internal Ratings-Based (**IRB**) approach for exposures to financial institutions and large corporates. Where the IRB approach is retained, minimum levels are applied on the probability of default and for other input parameters. In addition, the Basel Committee is introducing an output floor, based on the revised standardised approaches, meaning that risk-weighted assets generated by internal models cannot in aggregate fall below 72.5 per cent. of the risk-weighted assets computed by the standardised approaches. The new Basel IV framework was initially proposed to be implemented by 1st January, 2022 with a five year gradual phase-in of the output floor. However, on 27th March, 2020, the Basel Committee's oversight body endorsed changes to this implementation timeline. The implementation date has been deferred by one year to 1st January, 2023 and



the transitional arrangements for the output floor have been extended by one year to 1st January, 2028. When implemented into EU legislation, these measures could result in an increase in SEB's capital requirements.

In addition to risk-based capital ratio requirements, the Basel III framework also introduced a non-risk based leverage ratio as a supplement to the risk-based capital requirements. The leverage ratio has been reported to regulators since 1st January, 2014 and publicly disclosed since 1st January, 2015. The EU has implemented a minimum leverage ratio requirement of 3 per cent. of Tier 1 capital in line with the international agreement. This requirement is scheduled to come into effect on 28th June, 2021.

On 7th June, 2019, the CRD V Directive and CRR II were published. The CRD V Directive and CRR II provide for extensive changes to the EU regulatory framework, including the Fundamental Review of the Trading Book (**FRTB**), the Net Stable Funding Ratio, the minimum requirements for own funds and eligible liabilities (**MREL**) and the Pillar 2 framework. Eligible liabilities means the liabilities and capital instruments that do not qualify as CET1, Additional Tier 1 or Tier 2 instruments of the relevant entity and that are not excluded from the scope of the bail-in tool. Member States are required to adopt the measures necessary to comply with the CRD V Directive by 28th December, 2020 and these measures are to apply from 29th December, 2020, although certain provisions are only to apply from 1st January, 2022. CRR II will apply from 28th June, 2021 with certain exceptions. On 28th April, 2020, the European Commission published a proposal for certain exceptional temporary measures to alleviate the immediate impact of COVID-19-related developments by adapting the timeline of the application of international accounting standards on banks' capital, by treating more favourably public guarantees granted as part of COVID-19-related mitigation measures, by postponing the date of application of the leverage ratio buffer and by modifying how certain exposures are excluded from the calculation of the leverage ratio.

In January 2020, the SFSA published a memorandum with a Pillar 2 measure for banks using the IRB models for exposures, which are collateralised by commercial real estate in Sweden. The Pillar 2 measure corresponds to the difference between a risk weight of 35 per cent. for exposures collateralised by commercial real estate and 25 per cent. for exposures collateralised by commercial residential properties and a bank's actual average risk weight for such exposures. This additional Pillar 2 requirement will be applied in the SFSA's annual supervisory and evaluation process (SREP) for 2020, which is expected to be finalised in December 2020. According to the SFSA, this Pillar 2 requirement may be adjusted later if the overview of the IRB regulatory framework, expected to be implemented at the end of 2022, results in an increase in the risk weights that is large enough to ensure sufficient capital requirements to cover such risks in commercial real estate lending

The European Banking Authority (the **EBA**) is developing several new Guidelines and Regulatory Technical Standards to ensure consistency in IRB models. The aim is to reduce unjustified variability in their outcomes, ensuring comparability of risk estimates while at the same time preserving risk sensitivity of capital requirements. The SFSA has communicated that it expects that the new Guidelines and Regulatory Technical Standards will likely require material changes to most IRB models currently in use by Swedish banks. These changes will also require applications for approval by the SFSA. Banks using IRB models in the EU were initially expected to comply with the new rules by the end of 2020. However, to allow for high quality implementation, the EBA has decided to extend the deadline for introducing changes in the rating systems (probability of default (PD)) by one year, to the end of 2021. In addition, considering the interactions with Basel IV, the EBA has allowed for the changes in the loss given default (LGD) and conversion factors models for low default portfolios to be implemented by the end of 2023.

As these changes are still at an early stage, it is not clear what effect this will have on SEB's risk-weighted assets and overall capitalisation as the SFSA may change its approach regarding capital requirements. However, there can be no assurance that such changes will not result in increased risk weights being applied to certain credit exposures.

The implementation of these or other measures could result in the imposition of further CET1 and total capital requirements upon SEB, which in turn may have adverse effects on SEB's business and financial condition, and an increase in standardisation of models may negatively impact SEB's long-term risk-based planning if the proposed models are not adequately nuanced to accurately model underlying risks. Furthermore, the timing of the implementation and development of proposals remains uncertain and subject to change.

#### *Accounting policies*

With effect from 1st January, 2019, SEB has adopted IFRS 16 *Leases*, which requires the recognition of both operating and finance lease assets and liabilities as right of use assets and lease liabilities. Right of use assets

(where the underlying asset being leased is tangible) are included in REA and risk-weighted at 100 per cent. From 1st January, 2019, right of use assets are included in Other assets and lease liabilities are included in Other liabilities. Interest expense on lease liabilities and depreciation of right of use assets replaced nearly all lease costs for premises from 1st January, 2019. The increase in Other assets as of 1st January, 2019 was the result of an increase in right of use assets of SEK 5,747 million, an increase in deferred tax assets of SEK 51 million and an increase in Other assets of SEK 141 million. The increase in Other liabilities as of 1st January, 2019 is a result of an increase in Lease liabilities of SEK 6,337 million partially offset by decreases in provisions of SEK 122 million and other liabilities of SEK 32 million. The decrease in total equity as of 1st January, 2019 was SEK 244 million. The Group has applied the modified retrospective approach and has not restated comparative periods to reflect the impact of IFRS 16.

IFRS 9 *Financial Instruments*, which applies to the Group from 1st January, 2018, introduced, among other things, a new impairment model based on expected loss rather than incurred loss and a revised model for classification and measurement of financial instruments. The change to the impairment model resulted in a net increase in the Group's allowance for loan losses of SEK 1,578 million before tax and an overall reduction in the opening balance of 2018 retained earnings of SEK 1,170 million.

IFRS 9's *Financial Instruments* revised model for classification and measurement of financial instruments is also applicable to the Group as of 1st January, 2018. As a result of the changes to classification, certain holdings that were previously classified as available-for-sale are measured at amortised cost and fair value through profit or loss. In the fourth quarter of 2018, the opening balance of some equity instruments classified as fair value through profit and loss was restated. The positive effect from the restatement of SEK 884 million reduced the effect on retained earnings from the implementation of IFRS 9 *Financial Instruments* from SEK 3,281 million to SEK 2,396 million. Positive fair value in the amount of SEK 620 million was recognised in the opening balance of 2018 retained earnings. Additionally, the classification of bonds issued by SEB AG maturing after 2020 was changed to fair value through profit or loss from amortised cost, which reduced the opening balance of 2018 retained earnings by SEK 1,847 million.

The Group has elected to continue applying the principles in IAS 39 relating to hedge accounting.

SEB did not adopt IFRS 9 *Financial Instruments* in previous reporting periods, and, as permitted by the transitional provisions, SEB is not planning to restate comparative periods to reflect the impact of IFRS 9. For more detail regarding SEB's accounting policies related to IFRS 9 *Financial Instruments*, see Note 1 in the 2019 Financial Statements.

In addition, the adoption of IFRS 15 *Revenue from Contracts with Customers* changed the treatment of contract costs for investment contracts within the life business area. The change resulted in a decrease of deferred acquisition costs of SEK 2,640 million, recognised as a reduction in retained earnings in the opening balance of 2017.

Similarly, net fees and commissions were restated in the comparative information for 2017 in the financial statements for the year ended 31st December, 2018, reducing income by SEK 47 million.

Any future changes to applicable accounting policies may have a substantial effect on the Group's results of operations and financial condition.

#### *Resolution of systemically important financial institutions*

In October 2012, the Financial Stability Board (the **FSB**) and the Basel Committee finalised a framework for addressing domestic systemically important banks (**D-SIBs**). Banks designated as D-SIBs are required to hold additional capital. SEB has been designated as a D-SIB by the SFSA and is consequently subject to additional capital requirements imposed by the SFSA. Although SEB is not identified as a global systemically important bank, or **G-SIB** by the FSB in its list published in November 2019, which would have required it to hold additional capital (in the form of CET1), it may be so identified in the future.

On 2nd July, 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions, investment firms, certain financial institutions and certain holding companies (each a **relevant entity**) (as amended, the **BRRD**, including as amended by BRRD II (as defined below), as applicable) entered into force. The BRRD was first implemented in Sweden on 1st February, 2016.

The BRRD prescribes that banks shall hold a minimum level of capital and bail-inable debt in relation to total liabilities. The Notes may be subject to the exercise, in the future, of a bail-in power by the relevant Swedish

resolution authority, and the Notes include a contractual consent to the application of any bail-in and loss absorption power, and consequently, investors may lose part or all of their investment in the Notes (see Condition 16.03 under “*Terms and Conditions of the Notes*” and “*The Council of the EU has adopted the BRRD which provides for a range of actions to be taken in relation to a relevant entity considered to be at risk of failing. The taking of any action against SEB under the BRRD could materially adversely affect the value of any Notes*”).

On 26th April, 2016, the Swedish National Debt Office (which is the **Swedish Resolution Authority**) issued a proposal on the application of the MREL to Swedish banks. On 23rd February, 2017 the Swedish Resolution Authority published its Decision Memorandum (the **Decision Memorandum**) in which it set out its policy positions. As set out in the Decision Memorandum, the Swedish Resolution Authority communicated individual MREL requirements to Swedish banks for the first time in December 2017. Swedish banks, including SEB, are required to comply with MREL requirements starting from 1st January, 2018 but with an initial phase-in period to be fully compliant by 1st January, 2022. On 7th April, 2020, the Swedish Resolution Authority decided to extend the phase-in period for Swedish banks to meet their MREL requirements from 1st January, 2022 to 1st January, 2024.

The MREL requirement comprises the sum of a loss absorption amount and a recapitalisation amount, both of which are based on the applicable capital requirements for banks. The loss absorption amount is equivalent to the bank’s total capital requirements, excluding the combined buffer requirement and capital requirements for systemic risk and macro-prudential factors. The recapitalisation amount is equivalent to the bank’s total capital requirements, excluding the combined buffer requirement but including the full Pillar 2 requirement. The loss absorption amount can be met with own funds instruments (CET1, Additional Tier 1 and Tier 2), while the recapitalisation amount is required to be filled with bail-inable liabilities (the liabilities proportion principle) not included in the capital base from 1st January, 2018. Pursuant to the Decision Memorandum, as from 1st January, 2022, liabilities used to meet the liabilities proportion principle will be required to rank junior to senior liabilities and senior to Tier 2 capital, whether contractually, by statute or structurally.

This involved the introduction of a new layer of senior non-preferred debt, with claims falling within its eligibility criteria ranking below all preferred claims and other senior liabilities, but above all subordinated liabilities. In order to implement this change, amendments were made to the Swedish Rights of Priority Act (*Sw: förmånsrättslagen (2014:966)*), the Swedish Capital Buffers Act (*Sw: Lagen (2014:966) om kapitalbuffertar*) and the Swedish Law on Resolution (*Sw: Lagen (2015:1016) om resolution*), which came into force on 29th December, 2018. This principle is expected to have consequences for Swedish banks, requiring the issue of instruments such as the Senior Non-Preferred Notes to meet the requirements of the Decision Memorandum (and which may carry higher financing costs than for other senior unsecured liabilities). By 1st January, 2022, the Swedish Resolution Authority expects large Swedish banks, including SEB, to meet the liability proportion of their MREL requirements with instruments such as the Senior Non-Preferred Notes that rank junior to other senior unsecured liabilities.

In December 2019, the relevant resolution authorities decided that the 2020 individual MREL requirement for the Group is 7.26 per cent. of total liabilities and own funds (22.48 per cent. of REA), equivalent to SEK 161 billion. The liabilities proportion is 12.29 per cent. of REA, equivalent to SEK 88 billion. The MREL requirement is based on the balance sheet and applicable capital requirements as of 31st December, 2018. SEB complies with both the current MREL requirement and the liabilities proportion principle as of the date of this Information Memorandum. However, SEB may be required to issue further instruments in future periods, which may carry higher financing costs.

The applicable combined buffer requirements will in the future be positioned above the relevant MREL requirement such that an institution that does not comply with its MREL requirement will need to use CET1 that previously counted towards meeting the combined buffer requirement to make up the shortfall. Accordingly, any failure by SEB or the Group to meet its MREL requirement could negatively impact its combined buffer requirement and result in, among other things, the imposition of restrictions or prohibitions on discretionary payments by the Bank.

On 7th June, 2019, Directive 2019/879/EU of the European Parliament and of the European Council of 20th May, 2019 (as amended or replaced, the **BRRD II**) was published, amending, among other things, the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms. BRRD II focuses on the implementation of total loss absorbing capacity (**TLAC**) into EU legislation and the integration of the TLAC requirement with MREL rules to avoid duplication. While the TLAC requirement will apply only to G-SIBs (and hence not to SEB), the MREL implementation by the Swedish Resolution Authority will need to

be amended in line with BRRD II. This will include, as part of MREL, a minimum Pillar 1 subordination requirement for “top-tier” banks (including SEB). This Pillar 1 subordination requirement, which is expected to replace the current liabilities proportion principle, shall be satisfied with own funds and other eligible MREL instruments meeting the applicable CRR requirements, including MREL instruments constituting senior non-preferred debt, such as the Senior Non-Preferred Notes. The level of this subordination requirement for SEB is still to be determined and its implementation is to be on a phased basis, with full compliance by 1st January, 2024.

For the foregoing reasons, SEB may need to raise additional capital in the future. Such capital, whether in the form of debt financing, hybrid capital or additional equity, may not be available on attractive terms, or at all. SEB is unable to predict what regulatory requirements may be imposed in the future or accurately estimate the impact that any currently proposed regulatory changes may have on its business, the products and services that it offers and the values of its assets. For example, if SEB is required to make additional provisions, increase its reserves or capital, or exit or change certain businesses as a result of the initiatives to strengthen the capitalisation of banks, this could adversely affect its results of operations, financial condition and prospects.

***SEB is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate and other taxes in the jurisdictions in which it operates.***

SEB’s activities are subject to tax at various rates in the jurisdictions in which it operates, computed in accordance with local legislation and practice. Future actions by the Swedish or other governments to increase tax rates or to impose additional taxes would reduce SEB’s profitability. In addition, revisions to tax legislation or to its interpretation may have an adverse effect on SEB’s financial condition in the future.

In 2019, the Swedish Government announced its intention to introduce a new bank levy in Sweden in 2022. Although the details of the levy have not been finalised, it is expected to generate a total annual tax revenue of approximately SEK 5 billion from the banks to be covered by the levy.

On 17th July, 2017, the German Federal Ministry of Finance issued a circular with administrative guidance in relation to withholding taxes on dividends in connection with certain cross-border securities lending and derivatives transactions. The circular stated an intention to examine transactions executed prior to the change in tax legislation that was enacted on 1st January, 2016, and ongoing audits by the local tax administration have resulted in preliminary minor reclaims on selected tax years. Although SEB believes that the transactions were conducted in compliance with then prevailing rules and has therefore requested that such claims be revoked, it may not be successful and these claims or further examinations may have adverse financial effects on SEB.

In addition, SEB is subject to periodic tax audits which could result in additional tax assessments relating to past periods of up to six years. Any such assessments could be material and might have a material adverse effect on SEB’s financial condition.

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

***Risks related to the structure of a particular issue of Notes***

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

*If the Bank has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Bank may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Bank may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned*

Fixed/Floating Rate Notes bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the secondary market and the market value of the Fixed Reset Notes concerned*

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the Reset Margin as determined by the Fiscal Agent on the relevant Reset Determination Date (each such interest rate, a **Reset Rate**). The Reset Rate for any Reset Period could be less than the Initial Interest Rate and could therefore adversely affect the market value of an investment in the Fixed Reset Notes.

*Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes or Fixed Reset Notes which reference LIBOR, and other regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*

The sustainability of the London interbank offered rate (**LIBOR**) has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority (the **FCA**), which regulates LIBOR, has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions, in among other things, new euro denominated cash products (including bonds) referencing the euro interbank offered rate (**EURIBOR**). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

In addition to these announcements, there have been other recent national and international regulatory guidance and proposals for reform of interest rates and indices which are deemed to be "benchmarks", including LIBOR, EURIBOR and the Sterling Overnight Index Average rate (**SONIA**). Some of these reforms are already effective whilst others are still to be implemented. These reforms could include, among other things, reforms to other "benchmarks" similar to those reforms announced in relation to LIBOR, and any such reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value or liquidity of, and return on, any Floating Rate Notes, Fixed Reset Notes or any other Notes which are linked to or reference a "benchmark".

The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Bank) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms (including those announced in relation to LIBOR and the application of any similar reforms to other "benchmarks"), or the general increased regulatory scrutiny of

"benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR, SONIA and such other "benchmarks" will continue to be supported going forwards. This may cause LIBOR, EURIBOR, SONIA and such other "benchmarks" to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain "benchmarks": (i) discouraging market participants from continuing to administer or contribute to a "benchmark"; (ii) triggering changes in the rules or methodologies used in the "benchmark"; and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

Investors should be aware that in the case of Floating Rate Notes and Fixed Reset Notes, the Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate such as LIBOR, EURIBOR, SONIA, or other relevant reference rate ceases to exist or be published or another Benchmark Event or Benchmark Transition Event, as applicable, occurs. In the case of such Notes other than Floating Rate Notes where the Reference Rate is specified as being USD LIBOR and "USD LIBOR Benchmark Replacement" is specified as applicable, these fallback arrangements include the possibility that the Rate of Interest could be determined by reference to a Successor Rate or an Alternative Rate and that an Adjustment Spread may be applied to such Successor Rate or Alternative Rate as a result of the replacement of the relevant benchmark or screen rate (as applicable) originally specified with the Successor Rate or the Alternative Rate (as the case may be), together with the making of certain Benchmark Amendments to the Conditions of such Notes, all as determined in the sole discretion of the Benchmark Calculation Agent (acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser). Any Adjustment Spread that is applied may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) may still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower Rate of Interest) than they would if the relevant benchmark were to continue to apply in its current form. If the Bank or an affiliate of the Bank is appointed as Benchmark Calculation Agent, then depending on the circumstances in which any such discretion is required to be exercised, such exercise could present the Bank or such affiliate with a conflict of interest. In the case of Floating Rate Notes where the Reference Rate is specified as being USD LIBOR and "USD LIBOR Benchmark Replacement" is specified as applicable, see "*The USD LIBOR Benchmark Replacement is uncertain and may not be a suitable replacement for USD LIBOR*" below.

In certain circumstances the ultimate fallback for the purposes of calculation of interest for a particular Interest Period or Reset Period (as the case may be) may result in the Rate of Interest for the last preceding Interest Period or Reset Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page or, in the case of Fixed Reset Notes, the application of the Reset Rate for a preceding Reset Period or the initial Rate of Interest applicable to such Notes on the Interest Commencement Date. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate and the involvement of the Benchmark Calculation Agent and any Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value or liquidity of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Bank to meet its obligations under the Floating Rate Notes or Fixed Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Fixed Reset Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes or Fixed Reset Notes.

*The market continues to develop in relation to SONIA as a reference rate*

Where the applicable Final Terms for a series of Floating Rate Notes specifies that the Rate of Interest for such Floating Rate Notes will be determined by reference to SONIA, interest will be determined on the basis of Compounded Daily SONIA. Compounded Daily SONIA differs from Sterling LIBOR in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas Sterling LIBOR is expressed on the basis of a forward-looking term and includes a credit risk-element based on inter-bank lending. As such, investors should be aware that Sterling

LIBOR and SONIA may behave materially differently as reference rates for Floating Rate Notes. The use of SONIA as a reference rate for Eurobonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing SONIA.

Accordingly, prospective investors in any Floating Rate Notes referencing Compounded Daily SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. For example, in the context of backwards-looking SONIA rates, market participants and relevant working groups are, as at the date of this Information Memorandum, currently assessing the differences between compounded rates and weighted average rates, and such groups are also exploring forward-looking 'term' SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term).

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions in the case of Floating Rate Notes issued under the Programme for which Compounded Daily SONIA is specified as being applicable in the applicable Final Terms. Furthermore, the Bank may in the future issue Floating Rate Notes referencing SONIA that differ materially in terms of the interest determination provisions when compared with the provisions for such determination as set out in Condition 4C.02(iii) as contained in this Information Memorandum. The nascent development of Compounded Daily SONIA as a reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Floating Rate Notes issued under the Programme from time to time.

Furthermore, interest on Floating Rate Notes which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant SONIA Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Floating Rate Notes which reference Compounded Daily SONIA to estimate reliably the amount of interest which will be payable on such Floating Rate Notes, and some investors may be unable or unwilling to trade such Floating Rate Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Floating Rate Notes. Further, in contrast to Sterling LIBOR-based Floating Rate Notes, if Floating Rate Notes referencing Compounded Daily SONIA become due and payable as a result of an event of default under Condition 6, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final rate of interest payable in respect of such Floating Rate Notes will only be determined immediately prior to the date on which the Floating Rate Notes become due and payable.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Floating Rate Notes referencing Compounded Daily SONIA.

Since SONIA is a relatively new market reference rate, Floating Rate Notes referencing Compounded Daily SONIA may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities referencing Compounded Daily SONIA, such as the spread over the reference rate reflected in the interest rate provisions, may evolve over time, and trading prices of such debt securities may be lower than those of later issued debt securities as a result. Further, if Compounded Daily SONIA does not prove to be widely used in securities, the trading price of Floating Rate Notes referencing Compounded Daily SONIA may be lower than those of debt securities referencing other reference rates that are more widely used.

Investors in Floating Rate Notes referencing Compounded Daily SONIA may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in such Notes. If the manner in which SONIA is calculated is changed, that change may result in a reduction in the amount of interest payable on Floating Rate Notes referencing Compounded Daily SONIA and the trading prices of such Notes

*The USD LIBOR Benchmark Replacement is uncertain and may not be a suitable replacement for USD LIBOR*

In the case of Floating Rate Notes where the Reference Rate is specified as being USD LIBOR and “USD LIBOR Benchmark Replacement” is specified as applicable, the Conditions of the Notes provide for a “waterfall” of alternative rates to be used to determine the rate of interest on such Floating Rate Notes if USD LIBOR ceases to exist or be published or another USD LIBOR Benchmark Transition Event occurs. The first alternative rate in the waterfall is Term SOFR, a forward-looking rate which will be based on the secured overnight financing rate (**SOFR**). However, Term SOFR does not exist as of the date of this Information Memorandum, and there is no guarantee that Term SOFR will exist prior to the date on which USD LIBOR ceases to exist or be published or another USD LIBOR Benchmark Transition Event occurs. Even if Term SOFR is developed, it is unclear whether it will be a suitable replacement or successor for USD LIBOR. Assuming Term SOFR does not exist at the relevant time, the second alternative rate in the waterfall is Compounded SOFR. Compounded SOFR is the compounded average of daily SOFR rates that is expected to be calculated in arrears, while USD LIBOR is a forward-looking rate. However, there currently is no uniform market convention with respect to the calculation of Compounded SOFR. Uncertainty surrounding the establishment of market conventions related to the calculation of Term SOFR and Compounded SOFR and whether either alternative reference rate is a suitable replacement or successor for USD LIBOR Benchmark Transition LIBOR may adversely affect the value of and return on such Floating Rate Notes.

The additional alternative rates referenced in Condition 4E.06 also are uncertain. In particular, the ISDA Fallback Rate, which is the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the benchmark for the applicable time has not been established as of the date of this Information Memorandum. Even after the ISDA Fallback Rate is initially determined, ISDA Definitions and the ISDA Fallback Rate may change over time. If each alternative rate referenced in the definition of “Benchmark Replacement” is unavailable or indeterminable, the Bank will determine the Benchmark Replacement that will apply to such Floating Rate Notes. The substitution of a Benchmark Replacement for USD LIBOR may adversely affect the value of and return on the relevant Floating Rate Notes.

In addition, the benchmark transition provisions provide for a Benchmark Replacement Adjustment to be added to the Unadjusted Benchmark Replacement in order to make the Unadjusted Benchmark Replacement more comparable to USD LIBOR. However, such adjustment will not necessarily make the Unadjusted Benchmark Replacement equivalent to USD LIBOR. In particular, the Benchmark Replacement Adjustment may be a one-time adjustment, so such adjustment above the applicable Unadjusted Benchmark Rate Replacement may not respond to changes in unsecured bank credit risk or other market conditions on a periodic basis.

*The Rate of Interest on Floating Rate Notes may be determined by reference to a Successor Rate, Alternative Rate or Benchmark Replacement, as applicable, even if LIBOR continues to be published*

If a Benchmark Event or, as the case may be, a USD LIBOR Benchmark Transition Event and its related USD LIBOR Benchmark Replacement Date occur with respect to LIBOR, the Rate of Interest on Floating Rate Notes may thereafter be determined by reference to the Successor Rate or Alternative Rate, or the Benchmark Replacement, respectively. A Benchmark Event and a USD LIBOR Benchmark Transition Event includes, among other things, a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that LIBOR is no longer representative or will no longer be representative. The Rate of Interest on the Notes may therefore cease to be determined by reference to LIBOR, and instead be determined by reference to the Successor Rate or Alternative Rate, or the Benchmark Replacement, as applicable, even if LIBOR continues to be published. Such rate may be lower than LIBOR for so long as LIBOR continues to be published, and the value of and return on Floating Rate Notes may be adversely affected.

*The Bank will make determinations with respect to Floating Rate Notes that could affect the value of and return on Floating Rate Notes*

The Bank will make certain determinations with respect to Floating Rate Notes as further described in Condition 4E that may adversely affect the value of and return on Floating Rate Notes. In particular, if a Benchmark Event or USD LIBOR Benchmark Transition Event and its related USD LIBOR Benchmark Replacement Date occur, the Bank may determine any Alternative Rate and/or the Adjustment Spread or the Benchmark Replacement and the Benchmark Replacement Adjustment, respectively, and can make Benchmark Amendments or Benchmark Replacement Conforming Changes, as applicable, in connection with the implementation of the applicable Successor Rate or Alternative Rate, or Benchmark Replacement, in each case as described in Condition 4E. Moreover, certain determinations may require the exercise of discretion and the making of subjective



judgements, such as with respect to the Alternative Rate or Benchmark Replacement or the occurrence or non-occurrence of a Benchmark Event or USD LIBOR Benchmark Transition Event and any Adjustment Spread and Benchmark Amendments or Benchmark Replacement Adjustment and Benchmark Replacement Conforming Changes, as applicable. Any determination, decision or election that may be made by the Bank will be made in its sole discretion and will become effective without consent or approval of the holders of Floating Rate Notes or any other party. All determinations by the Bank, in its sole discretion, will be conclusive for all purposes and binding on holders of Floating Rate Notes absent manifest error. In making these potentially subjective determinations, the Bank may have economic interests that are adverse to the holders of Floating Rate Notes, and such determinations may adversely affect the value of and return on Floating Rate Notes. Because the continuation of LIBOR on the current basis cannot and will not be guaranteed, and because any Successor Rate or Alternative Rate, or the Benchmark Replacement, as the case may be, is uncertain, the Bank is likely to exercise more discretion in respect of the determination of the interest payable on Floating Rate Notes than would be the case in the absence of a Benchmark Event or USD LIBOR Benchmark Transition Event and its related USD LIBOR Benchmark Replacement Date.

*The composition and characteristics of SOFR are not the same as those of USD LIBOR, and SOFR is not expected to be a comparable replacement for USD LIBOR*

In June 2017, the Federal Reserve Bank of New York's Alternative Reference Rates Committee (the **ARRC**) announced SOFR as its recommended alternative to USD LIBOR. However, the composition and characteristics of SOFR are not the same as those of USD LIBOR. SOFR is a broad Treasury repo financing rate that represents overnight secured funding transactions and is not the economic equivalent of USD LIBOR. While SOFR is a secured rate, USD LIBOR is an unsecured rate. And, while SOFR is currently only an overnight rate, USD LIBOR is a forward-looking rate that represents interbank funding for a specified term. As a result, there can be no assurance that SOFR will perform in the same way as USD LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. For these reasons, SOFR is not expected to be a comparable replacement for USD LIBOR.

*SOFR has a very limited history, and the future performance of SOFR cannot be predicted based on historical performance*

The publication of SOFR began in April 2018, and, therefore, it has a very limited history. In addition, the future performance of SOFR cannot be predicted based on the limited historical performance. Levels of SOFR during the Interest Period for Floating Rate Notes following the occurrence of a USD LIBOR Benchmark Transition Event and its related USD LIBOR Benchmark Replacement Date where the Reference Rate is specified as being USD LIBOR and "USD LIBOR Benchmark Replacement" is specified as applicable, may bear little or no relation to the historical actual or historical indicative data. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR, such as correlations, may change in the future. While some pre-publication historical data have been released by the Federal Reserve Bank of New York (the **FRBNY**), such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR is impossible to predict and therefore no future performance of SOFR may be inferred from any of the historical actual or historical indicative data. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR.

*SOFR may be more volatile than other benchmark or market rates*

Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in other benchmark or market rates, such as USD LIBOR, during corresponding periods, and SOFR during the Floating Rate Period may bear little or no relation to the historical actual or historical indicative data. In addition, although changes in Term SOFR and Compounded SOFR generally are not expected to be as volatile as changes in daily levels of SOFR, the return on and value of Floating Rate Notes linked to such rates may fluctuate more than floating rate securities that are linked to other rates.

*The secondary trading market for securities linked to SOFR may be limited*

If SOFR does not prove to be widely used as a benchmark in securities that are similar or comparable to Floating Rate Notes, the trading price of Floating Rate Notes where the Reference Rate is specified as being USD LIBOR and "USD LIBOR Benchmark Replacement" is specified as applicable following a USD LIBOR Benchmark Transition Event may be lower than those of securities that are linked to rates that are more widely used. Similarly, market terms for securities that are linked to SOFR, including, but not limited to, the spread over the Reference Rate reflected in the interest rate provisions, may evolve over time, and as a result, trading

prices of such Floating Rate Notes may be lower than those of later-issued securities that are based on SOFR. Investors in such Floating Rate Notes may not be able to sell them at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

*SONIA and SOFR may be modified or discontinued*

SONIA and SOFR are relatively new rates, and the Bank of England or the FRBNY (or a successor), as administrator of SONIA and SOFR, respectively, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA and SOFR are calculated, eligibility criteria applicable to the transactions used to calculate SONIA and SOFR, or timing related to the publication of SONIA and SOFR. If the manner in which any of SONIA or SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on the relevant Floating Rate Notes, which may adversely affect the trading prices of such Floating Rate Notes. The administrator of SONIA or SOFR may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SONIA and SOFR, respectively, in its sole discretion and without notice and has no obligation to consider the interests of holders of the Floating Rate Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing SONIA or SOFR, as the case may be.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Such volatilities could have a material adverse effect on the value of and return on any such Notes.

*An extension of the maturity of any Notes which have an Extended Maturity Date will not result in any right of the Noteholders to accelerate payments or take action against the Bank*

The applicable Final Terms may provide that an Extended Maturity Date (as defined below) applies to a Series of Notes. If the Bank fails to redeem the relevant Notes in full on the Maturity Date (or within two Business Days thereafter) the maturity of the nominal amount outstanding of the Notes not redeemed will automatically extend on a monthly basis up to but not later than 12 months from the Maturity Date, subject as otherwise provided for in the applicable Final Terms (the **Extended Maturity Date**). In that event, the Bank may redeem all or part of the nominal amount outstanding of the Notes on an Interest Payment Date falling in any month after the Maturity Date, up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms. The Notes will also then bear interest on the nominal amount outstanding of the Notes in accordance with the applicable Final Terms.

The extension of the maturity of the principal amount outstanding of the Notes from the Maturity Date to the Extended Maturity Date will not result in any right of the Noteholders to accelerate payments or take action against the Bank, and no payment will be payable to the Noteholders in that event other than as set out in the conditions of the Notes as completed by the applicable Final Terms.

Where at least three Business Days' notice is not given to the Noteholders and the Paying Agent by the Bank of its intention to redeem all or any of the nominal amount outstanding of the Notes prior to the Maturity Date, or as applicable, the relevant Interest Payment Date or, as applicable the Extended Maturity Date, this will not affect the validity or effectiveness of any such redemption of the Notes or give rise to any such person having any rights in respect of any such redemption but such failure may result in a delay in payment being received by a Noteholder through the relevant clearing system and Noteholders shall not be entitled to further interest or any other payment in respect of such delay. Any failure to give notice to the Noteholders and the paying agents of any decision to extend the maturity of the Notes will also not affect the validity or effectiveness of such extension.

***Risks related to Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes***

*There is a real risk that holders of Senior Non-Preferred Notes or Subordinated Notes will lose some or all of their investment should the Bank become insolvent or subject to resolution*

The Bank's obligations under Senior Non-Preferred Notes issued by it will be unsecured and unsubordinated obligations of the Bank. In the event of the liquidation or bankruptcy of the Bank, the rights of the holders of Senior Non-Preferred Notes to payments on or in respect of the Notes shall rank junior to (i) any present or

future claims of depositors of the Bank and (ii) the claims of creditors on or in respect of all Senior Preferred Obligations.

The Bank's obligations under Subordinated Notes issued by it will be unsecured and subordinated. In the event of the liquidation or bankruptcy of the Bank, the rights of the holders of Subordinated Notes to payments on or in respect of the Notes shall rank (a) junior to any present or future claims of (i) depositors of the Bank, (ii) other unsecured and unsubordinated creditors of the Bank (including Holders of the Senior Preferred Notes and the Senior Non-Preferred Notes) and (iii) in the case of Tier 2 Subordinated Notes, holders of Senior Subordinated Notes (subject for so long as any existing subordinated notes specified in the applicable Final Terms remain outstanding) and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, in priority to the Notes.

In the case of Senior Subordinated Notes, for so long as any existing subordinated notes specified in the applicable Final Terms remain outstanding, the Senior Subordinated Notes will rank *pari passu* with holders of Tier 2 instruments (including the Tier 2 Subordinated Notes). It is only once such existing subordinated notes no longer remain outstanding that the Senior Subordinated Notes will rank in priority to any Tier 2 instruments of the Bank.

Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Notes which do not rank junior to Senior Preferred Obligations and Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that holders of Senior Non-Preferred Notes and an even greater risk that holders of Subordinated Notes will lose all or some of their investment should the Bank become insolvent or subject to resolution under the BRRD. In the case of any application of the general bail-in tool (as defined below) under the BRRD, the sequence of any resulting write-down or conversion of the Notes under Article 48 of the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings such that Senior Non-Preferred Notes shall be written-down or converted prior to any Senior Preferred Notes (including Senior Preferred MREL Eligible Notes) and Tier 2 Subordinated Notes shall be written-down or converted prior to Senior Subordinated Notes, with Subordinated Notes to be written-down or converted prior to any write-down or conversion of Senior Notes.

*Subordinated Notes and Senior Non-Preferred Notes may be subject to loss absorption on any application of the resolution tools or at the point of non-viability of the Bank or the Group*

In addition to the application of the resolution tools, including the general bail-in tool, to Subordinated Notes and Senior Non-Preferred Notes (see "*The Council of the EU has adopted the BRRD which provides for a range of actions to be taken in relation to a relevant entity considered to be at risk of failing. The taking of any action against SEB under the BRRD could materially adversely affect the value of any Notes*"), the BRRD contemplates that Tier 2 Subordinated Notes and Senior Non-Preferred Notes may be subject to non-viability loss absorption. As a result, resolution authorities may require the permanent write-down of capital instruments such as Tier 2 Subordinated Notes and Senior Non-Preferred Notes (which write-down may be in full) or the conversion of them into shares (or other instruments of ownership) in SEB at the point of non-viability of the Bank or the Group and before any other resolution action is taken. Any shares issued to holders of such Notes upon any such conversion into equity may also be subject to any future cancellation, transfer or dilution.

Even if grounds for compensation could be established, compensation may not be available under the BRRD to any holders of capital instruments subject to any write-down or conversion pursuant to non-viability loss absorption, separate from any exercise of the general bail-in tool (see "*The Council of the EU has adopted the BRRD which provides for a range of actions to be taken in relation to a relevant entity considered to be at risk of failing. The taking of any action against SEB under the BRRD could materially adversely affect the value of any Notes*" below), and even if available any such compensation would only take the form of shares in SEB.

For the purposes of the application of any non-viability loss absorption measure (i) the point of non-viability of a relevant entity under the BRRD is the point at which the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or its group meets the conditions for resolution or will no longer be viable unless the relevant capital instruments (such as the Tier 2 Subordinated Notes or Senior Non-Preferred Notes) are written down or converted into equity or extraordinary public financial support is required by the relevant entity other than, where the entity is an institution, for the purposes of remedying a serious disturbance in the economy of an EEA member state and to preserve financial stability; and (ii) the point of non-viability of a group is the point at which the group infringes or there are objective elements to support a determination that the group, in the near future, will infringe its consolidated prudential requirements in a way that would justify action

by the appropriate authority, including but not limited to because the group has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds

The application of the resolution tools or any non-viability loss absorption measure may result in Noteholders losing some or all of their investment. The exercise of any such power or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of Tier 2 Subordinated Notes and Senior Non-Preferred Notes issued under the Programme and/or the ability of the Bank to satisfy its obligations under such Notes.

*The qualification of the Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes as eligible liabilities of the Bank or the Group is subject to uncertainty*

The Senior Preferred MREL Eligible Notes and Senior Non-Preferred Notes may be issued with the intention of being eligible for inclusion in the amount of eligible liabilities of the Bank and/or the Group under Applicable Banking Regulations. However, there is uncertainty regarding how the CRD V Directive, CRR II and BRRD II are to be interpreted and applied. The Bank cannot provide any assurance that any Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes of each Series will be (or will thereafter remain) eligible liabilities of the Bank and/or the Group.

While the terms and conditions of the Senior Preferred MREL Eligible Notes and Senior Non-Preferred Notes may be consistent with the CRD V Directive, CRR II and BRRD II, the Bank cannot provide any assurance that any Senior Preferred MREL Eligible Notes or Senior Non-Preferred Notes will ultimately be (or thereafter remain) eligible liabilities of the Bank and/or the Group. If an Eligible Liabilities Event occurs, the Bank may redeem or substitute and vary the terms of those Notes at its option in accordance with Conditions 5.14 and 5.16. See “*If the Bank has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*”.

*There are limited events of default in the case of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes*

The terms of the Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes provide for limited events of default only. Holders will not have any rights under the terms and conditions of the Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes to request the early redemption of the relevant Notes in the event of any failure by the Bank to comply with its obligations under such Notes (including, without limitation, any obligation to pay principal or interest in respect of such Notes). Holders may prove or claim payment under the laws of Sweden in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank in respect of such Notes. However, these are the only circumstances in which any such claim for payment may be made by Holders. See Condition 6B.

*The terms of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes contain a waiver of set-off rights*

No holder of any Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes may at any time exercise or claim any Set-Off Rights (as defined in Condition 3C.01) against any right, claim or liability of the Bank or that the Bank may have or acquire against such holder, directly or indirectly and howsoever arising (and including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any kind or any non-contractual obligation, whether or not relating to that Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes).

The Terms and Conditions of the Notes provide that holders of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes shall be deemed to have waived all Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. As a result, those Noteholders will not at any time be entitled to set-off the Bank's obligations under such Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes against obligations owed by them to the Bank.

*Substitution and variation of the Notes without the consent of the Noteholders, in the case of Tier 2 Subordinated Notes and Senior Non-Preferred Notes*

In the case of Senior Non-Preferred Notes and Tier 2 Subordinated Notes, and subject to Condition 5.16, if (i) a Tax Event or (ii)(a) a Capital Event (in the case of Tier 2 Subordinated Notes) or (b) an Eligible Liabilities Event (in the case of Senior Non-Preferred Notes) occurs, the Bank may, instead of redeeming the Notes, and without the consent or approval of the Noteholders, at any time either substitute the Notes or vary their terms

accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Notes. Qualifying Notes are, among other things, notes that have terms not materially less favourable to a Noteholder, as reasonably determined by the Bank, than the terms of the Notes. See Condition 5.16.

There can be no assurance as to how the terms of any Qualifying Notes resulting from any such substitution or variation will be viewed by the market or whether any such Qualifying Notes will trade at prices that are at least equivalent to the prices at which the Notes would have traded on the basis of their original terms.

### ***Risks related to Covered Bonds***

*Even though Covered Bonds have the benefit of priority in respect of the Cover Pool, holders of Covered Bonds assume credit risk on the Bank*

Investors investing in Covered Bonds have a credit risk on the Bank. The Bank is liable to make payments when due on the Covered Bonds and these obligations are solely the obligations of the Bank.

The Covered Bonds are not guaranteed by any person and, accordingly, holders of Covered Bonds have recourse in respect thereof only to the Bank. The assets in the Cover Pool are owned by the Bank but, in the event of the Bank's bankruptcy, will not be available to other creditors until the holders of the Covered Bonds and related derivative counterparties have been repaid in full (except in limited circumstances if the administrator-in-bankruptcy grants an advance dividend to unsecured creditors). To the extent that claims in relation to the Covered Bonds are not met out of the assets in the Cover Pool, the residual claims will rank *pari passu* with the other unsecured and unsubordinated obligations of the Bank. See also "*Overview of the Swedish Legislation Regarding Covered Bonds*".

*Holders of Covered Bonds have exposure in the event of a failure of the Cover Pool to meet the matching requirements*

The Bank will be required under the Covered Bond Act to comply with certain matching requirements as long as any Covered Bond remains outstanding. These requirements prescribe that the nominal value of the Cover Pool must at all times exceed the aggregate nominal value of any claims that may be brought against the relevant issuer in respect of covered bonds issued by it by an aggregate value of at least two per cent. An issuer of covered bonds must also ensure that the cash flows in respect of the assets in the Cover Pool, derivative agreements and covered bonds are such that the issuer is at all times able to fulfil its payment obligations towards the covered bondholders and derivative counterparties. The Bank may also enter into derivatives contracts to fulfil the matching requirements. In these circumstances, the matching of the relevant Cover Pool is also dependent on the availability of derivative counterparties with a sufficient rating and the performance by such counterparties of their obligations under the derivative agreements.

In the event that an issuer is in material breach of its obligations under the Covered Bond Act, the SFSA may withdraw the issuer's authorisation to issue additional covered bonds and may then determine the manner in which the issuer's covered bond operations are wound up. If the Bank's authorisation to issue covered bonds is withdrawn through failure to meet the matching requirements, this would mean that the assets in the Cover Pool are not sufficient to redeem the Covered Bonds in full and this could result in holders of Covered Bonds not receiving the full amount due to them.

In addition, if, in the Bank's bankruptcy, the administrator-in-bankruptcy deems that the Cover Pool does not comply with the matching requirements (for example, due to a devaluation of the underlying properties and where no additional assets are available to compensate for such devaluation) and the deviations are not just minor and temporary, the Cover Pool can no longer be maintained as a unit and the holders of Covered Bonds and any related derivative counterparties will instead benefit from the proceeds of the sale of assets in the Cover Pool in accordance with the Swedish rules regarding dividends in bankruptcy. This could result in the holders of Covered Bonds receiving payment according to a schedule that is different from that contemplated by the terms of the Covered Bonds (with accelerations as well as delays) or that the holders of Covered Bonds are not paid in full. However, the holders of Covered Bonds and any related derivative counterparties will retain the benefit of priority to the assets comprised in the Cover Pool. See also "*Overview of the Swedish Legislation Regarding Covered Bonds – Administration of the Cover Pool in the event of bankruptcy*".

To the extent that the Cover Pool does not cover the remaining claims of the holders of Covered Bonds and any related derivative counterparties, such claims will rank *pari passu* with the Bank's unsecured creditors. There is no assurance that the assets in the Cover Pool will be sufficient to repay any outstanding Covered Bonds in full or that the assets of the Bank, when insolvent, will cover any remaining claims. In addition, as no issuer of covered bonds has yet to file for, or be placed into, bankruptcy in Sweden, it is currently unclear what the

impact of a bankruptcy would be on the Noteholders. See *“There are certain issues that may, in the event of the Bank’s bankruptcy, lead to a conflict between the interests of holders of Covered Bonds and derivative counterparties on the one hand and the other creditors of the Bank on the other”*.

*There are certain issues that may, in the event of the Bank’s bankruptcy, lead to a conflict between the interests of holders of Covered Bonds and derivative counterparties on the one hand and the other creditors of the Bank on the other*

In the event of the Bank’s bankruptcy, the Covered Bond Act does not provide clear guidance on certain issues that may lead to a conflict between holders of Covered Bonds and derivative counterparties on the one hand and the other creditors of the Bank on the other. In particular, these issues include how proceeds from a loan partly registered to the Cover Pool should be distributed between the portion of such loan registered to the Cover Pool and the portion of such loan not registered to the Cover Pool and how the proceeds of enforcement of a mortgage certificate should be distributed if the mortgage serves as collateral for two different loans ranking *pari passu* where one loan is not wholly or partly registered in the Cover Pool. The lack of clear guidance on these and similar issues may lead to disputes regarding the allocation of proceeds to the Cover Pool and could reduce the return to holders of Covered Bonds.

In addition, there is some uncertainty as to whether a creditor that obtains execution (*utmätning*) against an asset in a cover pool more than three months before the relevant issuer’s bankruptcy could defeat the priority afforded to holders of covered bonds and any relevant derivative counterparties in relation to such asset.

*There is risk relating to the value of other assets included in the Cover Pool*

Under the Covered Bond Act, an issuer of covered bonds is permitted to include certain categories of assets in the Cover Pool other than loans secured by mortgages over real estate, including certain public credits (consisting of debt issued by the Swedish State, central banks, Swedish and foreign municipalities and comparable bodies with taxation powers) and supplemental assets (consisting primarily of government bonds and assets and debt instruments issued by credit institutions and other bodies authorised by the SFSA to be included in the Cover Pool). To the extent that such public credits and supplemental assets may be located in jurisdictions other than Sweden, or may be instruments issued by other financial institutions, they may be subject to country and credit risks different from that outlined for the Covered Bonds. There can be no guarantee as to the future development of the value of any such public credits and supplemental assets included in the Cover Pool. In the event the Bank includes such types of assets in the Cover Pool and the value of these other assets decreases, this may adversely affect the value of the Cover Pool and, ultimately, the value of the Covered Bonds which may reduce the return to the Noteholders.

*Claims of holders of Covered Bonds could be subordinated to certain other claims in a bankruptcy*

In the event of the bankruptcy of an issuer of covered bonds, the administrator is obliged to assess whether liquidity matching exists for the covered bonds and any derivative instruments issued in accordance with the Covered Bond Act. Pursuant to the Covered Bond Act, the bankruptcy administrator may take out additional loans and enter into derivative agreements, repurchase agreements and other agreements for the purpose of achieving a balance between the financial terms and conditions for the assets in the Cover Pool and derivative agreements entered into on the one hand and the obligations of the issuing institution pursuant to covered bonds and derivative agreements on the other hand.

However, as the bankruptcy administrator can generally only enter into agreements on behalf of the bankruptcy estate, not the debtor in bankruptcy, the counterparties to such additional loans, derivative instruments, repurchase agreements and other agreements will rank senior to existing covered bondholders and derivative counterparties with respect to the assets in the Cover Pool. This senior status of the debt of a liquidity provider could, if the Bank enters into bankruptcy and the Cover Pool is liquidated by a bankruptcy administrator and there has been a deterioration in the value of the Cover Pool after such additional loans have been made, lead to a shortfall in the Cover Pool and holders of the Covered Bonds not being paid in full.

*The Covered Bonds contain no event of default provisions that allow the Covered Bonds to be accelerated and no gross-up provision*

The conditions of the Covered Bonds do not include any event of default provisions (including any event of default for non-payment) the occurrence of which would entitle holders of Covered Bonds to accelerate the Covered Bonds and it is envisaged that holders will only be paid scheduled interest payments under the Covered Bonds as and when they fall due under the conditions of the Notes. The only remedies available to holders of the Covered Bonds are to sue in respect of the non-payment or petition for the bankruptcy of the Bank.

All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Covered Bonds will be made free and clear of, and without withholding for or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the withholding or deduction will be made without payment by the Bank of any additional amounts and holders of the Covered Bonds will receive only the net amount after such deduction or withholding.

*There are no limitations on the Bank's incurrence of additional debt or encumbering its assets in the future*

The Bank is not prohibited from issuing, providing guarantees in respect of, or otherwise incurring further debt ranking *pari passu* with its existing obligations, although the Bank's obligations to holders of Covered Bonds will rank senior to all obligations that the Bank has incurred otherwise than in accordance with the terms of the Covered Bond Act. To the extent that claims in relation to the Covered Bonds are not met out of the Cover Pool, the residual claims will rank *pari passu* with the unsecured and unsubordinated obligations of the Bank and accordingly an increase in the amount of the Bank's assets which are secured could reduce the amount of assets available to unsecured creditors and could result in holders of Covered Bonds not being repaid in full.

*Only limited due diligence will be undertaken in relation to the Cover Pool in connection with the issue of Covered Bonds*

Only limited investigations, searches or other actions in respect of any assets contained or to be contained in the Cover Pool will be performed by the Managers of any issue of Covered Bonds.

*Only limited information relating to the Cover Pool will be available to holders of Covered Bonds*

Holders of Covered Bonds will not receive detailed statistics or information in relation to the loans and mortgages and other eligible assets contained or to be contained in the Cover Pool in connection with their purchase of Covered Bonds, as the constitution of the Cover Pool will change from time to time due to the Bank purchasing or originating new loans (or new loan types), repayments and prepayments by borrowers of the loans in the Cover Pool as well as other reasons.

Information regarding the Cover Pool is published by the Bank on the Investor Relations section of its website, <http://sebgroupp.com/>, on a quarterly basis and reflects Cover Pool data determined at 31st March, 30th June, 30th September and 31st December in each year. Cover Pool information will not be updated between such reports and, as a result, Cover Pool reports may not be a true reflection of the Cover Pool as at any date since the date of the report itself. The contents of the Bank's website do not form part of this Information Memorandum and investors should not rely on this website.

There is no assurance that the types or characteristics of the new loans, mortgages or eligible assets will be the same as those contained in the Cover Pool as at the issue date of any Covered Bonds.

*There is risk relating to certain mortgagors' rights to set-off deposits and other claims against the Bank against mortgage liabilities included in the Cover Pool in the event of the Bank's bankruptcy or liquidation*

In accordance with the Covered Bond Act, the Bank intends to ensure that the nominal value of the assets in the Cover Pool will at all times exceed the nominal value of claims that may be asserted against the Bank in relation to the Covered Bonds. There is a risk that, upon a bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank, those mortgagors whose mortgage loans are included in the Cover Pool and who also hold deposits with or have otherwise lent money to the Bank (**Relevant Mortgagors**) might be able to set-off the value of those deposits or loans against their liability to the Bank under their mortgage. In order to avoid this risk impacting the rating of the Notes, the Bank will give certain undertakings to Noteholders as set out in Condition 3D.01 under "*Terms and conditions of the Notes*".

The undertakings are designed to ensure that the ratings given to the Covered Bonds by Moody's are maintained. However, potential investors should be aware that these undertakings may not be sufficient to retain such ratings in all circumstances and that a reduction or withdrawal of the then current rating given to Covered Bonds by Moody's might occur for other reasons. Any reduction or withdrawal of a rating given to the Covered Bonds may affect the secondary market in, and market value of, the Covered Bonds. In addition, investors should note that if the Bank does not maintain sufficient eligible assets in the Cover Pool to offset any set-off rights of Relevant Mortgagors this may, upon any subsequent bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank, result in the holders of Covered Bonds receiving payment according to a schedule that is different

from that contemplated by the terms of the Covered Bonds (with accelerations as well as delays) or not being paid in full.

Accordingly, investors should understand that there is no assurance that the ratings originally given to the Covered Bonds will be maintained in all circumstances.

*It is uncertain how the provisions of the Covered Bond Act will be interpreted or applied by a Swedish court*

The Covered Bond Act entered into force in 2004. There have not been any cases in which the provisions of the Covered Bond Act have been analysed by the Swedish courts. It is uncertain how the provisions of the Covered Bond Act will be interpreted or applied by Swedish courts or whether changes or amendments will be made to it which affect the Covered Bonds. Furthermore, there is no previous legislation on covered bonds in Sweden or other similar legislation that would lend clear support to arguments based on analogy in a dispute over the interpretation of some of the provisions in the Covered Bond Act. See also “*Overview of the Swedish legislation regarding covered bonds*”.

### ***Risks relating to Notes denominated in Renminbi***

Notes may be issued denominated in Renminbi (**Renminbi Notes**). An investment in Renminbi Notes involves particular risks, including:

*Renminbi is not completely freely convertible, there are still significant restrictions on the remittance of Renminbi into and out of the PRC and the liquidity of investments in Renminbi Notes is subject to such restrictions*

Renminbi is not completely freely convertible as of the date of this Information Memorandum. The government of the PRC (the **PRC Government**) continues to regulate conversion between Renminbi and foreign currencies despite significant reduction in the control by the PRC Government in recent years over trade transactions involving the import and export of goods and services, as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong and a number of other jurisdictions have been permitted to engage in the settlement of current account trade transactions in Renminbi; however, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are (as of the date of this Information Memorandum) being developed.

Although Renminbi was added to the Special Drawing Rights basket of currencies, in addition to the U.S. dollar, euro, Japanese yen and Pounds Sterling, created by the International Monetary Fund as an international reserve asset in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by The People’s Bank of China (the **PBoC**) in 2018, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, or that new regulations in the PRC will not be promulgated in the future that have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Bank to source Renminbi to finance its obligations under Renminbi Notes.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Bank’s ability to source Renminbi outside the PRC to service such Renminbi Notes*

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

As of the date of this Information Memorandum, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. While the PBoC has entered into agreements on the clearing of Renminbi business (the **Settlement Agreements**) with financial institutions in a number of financial centres and cities (the **RMB Clearing Banks**) including, but not limited to, Hong Kong, and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the size of Renminbi denominated financial assets outside the PRC is limited.



There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The relevant RMB Clearing Banks only have limited access to onshore liquidity support from the PBoC for the purpose of settling open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to settle for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to settle such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended so as to have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of investments in the Renminbi Notes. To the extent that the Bank is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Bank will be able to source Renminbi on satisfactory terms, if at all.

Although the Bank's primary obligation is to make all payments with respect to Renminbi Notes in Renminbi, where a RMB Currency Event is specified as being applicable in the applicable Final Terms, in the event that the Bank determines, while acting in good faith that one of RMB Inconvertibility, RMB Non-Transferability or RMB Illiquidity (each as defined in Condition 8D) has occurred as a result of which, the Bank is unable to make any payment in respect of the Renminbi Note in Renminbi, the terms of such Renminbi Notes will permit the Bank to make payment in U.S. dollars (or such other currency as may be specified in the applicable Final Terms) converted using the Spot Rate for the relevant Determination Date, all as provided in Condition 8D. The value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market.

*An investment in Renminbi Notes is subject to exchange rate risks*

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. On 11th December 2015, the China Foreign Exchange Trade System (the CFETS), a sub-institutional organisation of the PBoC, published the CFETS Renminbi exchange rate index for the first time, which weighs the Renminbi based upon 13 currencies, to guide the market in order to measure the Renminbi exchange rate. Such change and others that may be implemented, may increase the volatility in the value of Renminbi against other currencies. All payments of interest and principal with respect to Renminbi Notes will be made in Renminbi unless a RMB Currency Event is specified as being applicable in the applicable Final Terms, and a RMB Currency Event occurs, in which case payment will be made in U.S. dollars converted at the spot rate. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other applicable foreign currencies, then the value of an investor's investment in Renminbi Notes in terms of the U.S. dollar or other applicable foreign currency will decline.

*An investment in fixed rate Renminbi Notes is subject to interest rate risks*

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. If a Renminbi Note carries a fixed interest rate, then the trading price of such Renminbi Notes will subsequently vary with fluctuations in Renminbi interest rates. If an investor in Renminbi Notes tries to sell such Renminbi Notes before their maturity then they may receive an offer that is less than the amount invested.

*Payments in respect of Renminbi Notes will be made to investors in the manner specified in the Conditions*

Investors might be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong or such other RMB Settlement Centre(s) as may be specified in the applicable Final Terms. All Renminbi payments to investors in respect of the Renminbi Notes will be made solely: (i) for so long as the Renminbi Notes are represented by Global Notes held with the

common depositary for Euroclear and Clearstream, Luxembourg or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or any such other RMB Settlement Centre(s) in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures or the rules and procedures of such alternative clearing system, or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or such other RMB Settlement Centre(s) in accordance with prevailing rules and regulations. Other than as described in Condition 8D, the Bank cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

*There might be PRC tax consequences with respect to investment in the Renminbi Notes*

In considering whether to invest in Renminbi Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws, as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Noteholder's investment in Renminbi Notes might be materially and adversely affected if the Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Notes.

### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

*The Council of the EU has adopted the BRRD which provides for a range of actions to be taken in relation to a relevant entity considered to be at risk of failing. The taking of any action against SEB under the BRRD could materially adversely affect the value of any Notes.*

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity. This is so as to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system.

The BRRD prescribes that banks shall hold a minimum level of own funds and eligible liabilities in relation to total liabilities and own funds (known as the MREL). The MREL will be set by the resolution authority for each bank (and/or group) based on criteria including systemic importance, and, for Swedish banks, these were communicated in December 2017 and are applicable from 1st January, 2018. Eligible liabilities may be senior or subordinated, provided they have a remaining maturity of at least one year and, if governed by a non-EU law, they must be able to be written down or converted under that law or through contractual provisions. As from 1st January, 2022, MREL liabilities will be required to be subordinated to senior liabilities and further subordination requirements will apply to SEB under the BRRD as amended in line with BRRD II. For a more detailed description of the proposed implementation of MREL in Sweden, see “—SEB is and will continue to be subject to increased capital requirements and standards due to governmental and regulatory requirements and changes in perceived levels of adequate capitalisation, and may need additional capital in the future, which capital may be difficult to obtain”.

The BRRD contains four resolution tools and powers which may be used alone or in combination where a relevant entity is considered as failing or likely to fail: (i) sale of business – which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down; and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including Senior Notes and Subordinated Notes) to equity or other instruments of ownership (the **general bail-in tool**), which equity or other instruments could also be subject to any application of the general bail-in tool. In Sweden, the Swedish National Debt Office has been designated as the national resolution authority under the BRRD. Relevant claims for the purposes of the bail-in tool would include the claims of the holders in respect of any Notes issued under the Programme, although in the case of Covered Bonds this would only be the case if and to the extent that the amounts payable in respect of the Covered Bonds exceeded the value of the Cover Pool collateral against which payment of these amounts is secured.

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

A relevant entity will be considered as failing or likely to fail when:

- it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation;
- its assets are, or are likely in the near future to be, less than its liabilities;
- it is, or is likely in the near future to be, unable to pay its debts as they fall due; or
- it requires extraordinary public financial support (except in limited circumstances).

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as the Tier 2 Subordinated Notes or Senior Non-Preferred Notes at the point of non-viability of a relevant entity or a group (**non-viability loss absorption**) (see “– *Subordinated Notes and Senior Non-Preferred Notes may be subject to loss absorption on any application of the resolution tools or at the point of non-viability of the Bank*”). Any shares issued to holders of Tier 2 Subordinated Notes or Senior Non-Preferred Notes upon any such conversion into equity may also be subject to any future cancellation, transfer or dilution.

Any application of the general bail-in tool under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on holders of Senior Notes and Subordinated Notes will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors.

To the extent any resulting treatment of holders of Senior Notes and Subordinated Notes pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder has a right to compensation under the BRRD based on an independent valuation of the relevant entity. Any such compensation is unlikely to compensate that holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Senior Notes and Subordinated Notes.

BRRD II focuses on the implementation of TLAC into EU legislation and the integration of the TLAC requirement with MREL rules to avoid duplication. MREL is expressed as a percentage of total REA and of the leverage ratio exposure measure, in line with the TLAC standard. The TLAC minimum requirement should largely be met using subordinated debt instruments, and BRRD II provides that, in order to meet MREL, subordination could be required by the resolution authority to the extent it is needed to facilitate the application of the bail-in tool, in particular when there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed their potential losses in insolvency (to the extent necessary to cover the portion of losses above likely insolvency losses).

The BRRD Ranking Amendment Directive (as defined in Condition 3A.02) also provides for changes with regard to the ranking of unsecured debt instruments in the insolvency hierarchy, by creating a new asset class of “non-preferred” senior debt that could only be bailed-in when the issuing relevant entity is placed under resolution, in order for banks to comply with TLAC and MREL requirements. The BRRD Ranking Amendment Directive was implemented in Sweden on 29th December, 2018.

The powers set out in the BRRD will impact how relevant entities are managed as well as, in certain circumstances, the rights of creditors. Holders of Notes may be subject to the application of the general bail-in tool and, in the case of Tier 2 Subordinated Notes and Senior Non-Preferred Notes, non-viability loss absorption, which may result in such holders losing some or all of their investment (in the case of Subordinated Notes and Senior Non-Preferred Notes, see further “–*There is a real risk that holders of Senior Non-Preferred Notes or Subordinated Notes will lose some or all of their investment should the Bank become insolvent or subject to resolution*”). Such application of the general bail-in tool could also involve modifications to or the disapplication of provisions in the conditions of the Senior Notes and Subordinated Notes, including alteration of the principal amount or any interest payable on the Senior Notes and Subordinated Notes, the maturity date or

any other dates on which payments may be due, as well as the suspension of payments for a certain period. As a result, the exercise of any power under the BRRD or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of the Notes and/or the ability of the Bank to satisfy its obligations under the Notes.

*Under the terms of the Notes, investors will agree to be bound by and consent to the exercise of any bail-in and loss absorption power by the Swedish Resolution Authority*

By acquiring Notes, each Noteholder and each beneficial owner acknowledges, accepts, consents and agrees to be bound by (a) the effect of the exercise of any bail-in and loss absorption power by the relevant Swedish resolution authority, that may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount of, or any interest on, the Notes or any other outstanding amounts due under, or in respect of, the Notes; (ii) the conversion of all, or a portion, of the principal amount of, or any interest on, the Notes or any other outstanding amounts due under, or in respect of, the Notes into shares, other securities or other obligations of the Bank or another person (and the issue to or conferral on the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes; (iii) the cancellation of the Notes; (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and (b) the variation of the terms of the Notes, if necessary, to give effect to the exercise of any bail-in and loss absorption power by the relevant Swedish resolution authority. See Condition 16.03 under “*Terms and Conditions of the Notes*”.

*Notes in registered form are subject to certain restrictions on transfer*

Registered Notes are subject to the restrictions on transfer set out in them and will bear a legend regarding those restrictions, see further “*Notice to Purchasers and Holders of Notes and Transfer Restrictions*” and “*Subscription and Sale*”.

*The conditions of the Notes contain provisions which may permit their modification without the consent of all investors*

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

Such a meeting may be convened by the Bank and shall be convened by the Bank if required in writing by Noteholders holding not less than one-tenth in principal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for the amendment of provisions of the Notes is one or more persons holding or representing a clear majority in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons holding or representing Notes whatever the principal amount of the Notes so held or represented, except that at any such adjourned meeting the business of which includes the modification of certain specified provisions of the Notes (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes or modifying the voting and/or quorum provisions of the Fiscal Agency Agreement), the quorum at any such adjourned meeting shall be one or more persons holding or representing at least one quarter in aggregate principal amount of the Notes for the time being outstanding.

The Fiscal Agency Agreement provides that (i) a resolution passed at a meeting of the holders of the Notes in respect of the Notes duly convened and held in accordance with the Fiscal Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective to make such amendments to the relevant provisions of the Notes.

The conditions of the Notes also provide that the Fiscal Agent may, without the consent of Noteholders, agree to any modification of the Notes which is (1) not prejudicial, as determined by the Bank, to the interests of the Noteholders or (2) is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

In addition, pursuant to Condition 4D, certain changes may be made to the interest calculation provisions of the Floating Rate Notes or Fixed Reset Notes in the circumstances set out in Condition 4D, without the requirement for consent of the Noteholders. See “—*Benchmark Discontinuation*” above.

*The value of the Notes could be adversely affected by a change in law or administrative practice*

The conditions of the Notes are based on English law or, where indicated, Swedish law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to English and/or Swedish law or administrative practice after the date of this Information Memorandum and any such change could materially adversely impact the value of any Notes affected by it.

*Enforcement risks related to the UK's withdrawal from the EU*

As the Notes are subject to the jurisdiction of English courts, if no new reciprocal agreement on civil justice is agreed between the UK and the remaining members of the EU at the end of the transition period (which will last until 31st December 2020 unless extended), there may be a period of uncertainty concerning the enforcement of English court judgments in Sweden as the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12th December 2012) that currently applies to the recognition and enforcement of judgments between the UK and EU Member States, would cease to apply to the UK (and to English court judgments). Further the UK would no longer be a party to the Lugano Convention under which judgments from the courts of contracting states (currently the EU, Switzerland, Iceland and Norway) are recognised and enforced in other contracting states.

As a result, a judgment entered against the Bank in a UK court may not be recognised or enforced in Sweden without a re-trial on its merits (although an English court judgment may be of persuasive authority as a matter of evidence before the courts of law, arbitral tribunals or executive or other public authorities in Sweden and there is Swedish case law to indicate that certain foreign judgments should in certain circumstances be acknowledged without retrial of the merits).

*Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued*

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Instruments may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of such trading, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in bearer form in respect of such holding (should such definitive Notes be printed) and, in order to receive such a Note, would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to the minimum Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Risks related to the market generally***

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes*

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Bank be in

financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount.

*If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates that may adversely affect the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.*

The Bank will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Bank to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*The value of Fixed Rate Notes may be adversely affected by movements in market interest rates*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive.

*Credit ratings assigned to the Bank or any Notes may not reflect all the risks associated with an investment in those Notes*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the assigning rating agency at any time.

In general, European (including the UK) regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the UK and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to certain transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or UK-registered credit rating agency or the relevant non-EU and non-UK rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to certain transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Notes changes, European (including the UK) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including the UK) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Information Memorandum.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Information Memorandum shall be deemed to be incorporated in, and to form part of, this document:

- (1) the audited consolidated and non-consolidated financial statements (including the auditors' report thereon and the notes thereto) of the Bank in respect of the financial year ended 31st December, 2019, as set out in the Bank's annual report (the **2019 Annual Report**) on pages 76 to 180, inclusive (available at [http://sebgroup.com/siteassets/investor\\_relations1/annual\\_reports/annual\\_report\\_2019.pdf](http://sebgroup.com/siteassets/investor_relations1/annual_reports/annual_report_2019.pdf));
- (2) the audited consolidated and non-consolidated financial statements (including the auditors' report thereon and the notes thereto) of the Bank in respect of the financial year ended 31st December, 2018, as set out in the Bank's annual report (the **2018 Annual Report**) on pages 74 to 188, inclusive (available at [http://sebgroup.com/siteassets/investor\\_relations1/annual\\_reports/annual\\_report\\_2018.pdf](http://sebgroup.com/siteassets/investor_relations1/annual_reports/annual_report_2018.pdf));
- (3) the unaudited consolidated and non-consolidated interim financial statements of the Bank (including the auditors' limited assurance review report thereon) as of and for the three months ended 31st March, 2020 (set out on pages 12 to 15 (inclusive), on pages 17 to 42 (inclusive) and on pages 44 to 45 (inclusive) of the Bank's interim report entitled "Interim report January – March 2020") (the **Interim Report**) (available at [http://sebgroup.com/siteassets/investor\\_relations1/interim\\_reports/2020\\_q1\\_interim.pdf](http://sebgroup.com/siteassets/investor_relations1/interim_reports/2020_q1_interim.pdf));
- (4) the section entitled "Market Risk" set out on page 29 of the Bank's publication entitled "Fact Book January – March 2020" ([http://sebgroup.com/siteassets/investor\\_relations1/factbook/2020\\_q1\\_factbook.pdf](http://sebgroup.com/siteassets/investor_relations1/factbook/2020_q1_factbook.pdf)); and
- (5) solely for the purposes of any issues of Securities which are expressed to be consolidated and form a single series with a Tranche of Securities issued in earlier Information Memoranda published by the Bank, the terms and conditions from each of the following Information Memoranda relating to the Bank's Global Programme for the Continuous Issuance of Medium Term Securities, Capital Contribution Securities and Covered Bonds and published by the Bank:
  - (i) Information Memorandum dated 18th June, 2010 (available at [http://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2010\\_june.pdf](http://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2010_june.pdf));
  - (ii) Information Memorandum dated 20th June, 2011 (available at [http://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2011\\_june.pdf](http://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2011_june.pdf));
  - (iii) Information Memorandum dated 20th June, 2012 (available at [http://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2012\\_june.pdf](http://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2012_june.pdf));
  - (iv) Information Memorandum dated 19th June, 2013 (available at [http://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2013\\_june.pdf](http://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2013_june.pdf));
  - (v) Information Memorandum dated 18th June, 2014 (available at [http://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2014\\_june.pdf](http://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2014_june.pdf));
  - (vi) Information Memorandum dated 22nd June, 2015 (available at [http://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2015\\_june.pdf](http://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2015_june.pdf));
  - (vii) Information Memorandum dated 21st June, 2016 (available at [https://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2016.pdf](https://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2016.pdf));
  - (viii) Information Memorandum dated 21st June, 2017 (available at [https://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2017\\_june.pdf](https://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2017_june.pdf));

- (ix) Information Memorandum dated 20th June, 2018 (available at [https://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mt\\_n\\_programme\\_2018\\_june.pdf](https://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mt_n_programme_2018_june.pdf)); and
- (x) Information Memorandum dated 14th June, 2019 (available at [https://sebgroup.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mt\\_n\\_programme\\_2019\\_june.pdf](https://sebgroup.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mt_n_programme_2019_june.pdf));

Following the publication of this Information Memorandum a supplement may be prepared by the Bank and approved by the CBI in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede 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, except as so modified or superseded, constitute a part of this Information Memorandum.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Information Memorandum.

The Bank will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Notes, prepare a supplement to this document or publish a new Information Memorandum for use in connection with any subsequent issue of Notes.



## DESCRIPTION OF THE NOTES TO BE ISSUED UNDER THE PROGRAMME

*Terms used but not defined herein shall have the same meaning as ascribed to them in the “Terms and Conditions of the Notes”.*

<b>Form of Notes:</b>	Notes may be issued in either bearer form or in registered form. Notes in bearer form may also be issued in new global note (NGN) form. Notes issued in registered form may be held under the New Safekeeping Structure for registered global securities (the NSS).
<b>Currencies:</b>	Subject to compliance with all applicable legal and/or regulatory requirements, notes may be denominated in any currency or currencies (including, without limitation, euro, United States Dollars, Pounds Sterling, Swiss Francs, Japanese Yen, and Renminbi).
<b>Issuance in Series:</b>	Notes will be issued in series (each a <b>Series</b> ). The Notes of each Series will all be subject to identical terms, whether as to currency, denomination, interest or maturity or otherwise.
<b>Status of the MTNs:</b>	MTNs may be issued on a senior or subordinated basis, as described in Conditions 3A and 3B, respectively, and as specified in the applicable Final Terms.
<b>Status of the Covered Bonds:</b>	Covered Bonds are issued on an unsubordinated basis and in accordance with the Covered Bond Act. As such, the Covered Bonds will have the benefit of priority to the Cover Pool. To the extent that claims in relation to the Covered Bonds and related derivative contracts are not met out of the Cover Pool, the residual claims will rank <i>pari passu</i> with the claims of unsecured and unsubordinated creditors of the Bank. See also “ <i>Overview of the Swedish Legislation Regarding Covered Bonds</i> ”.
<b>Issue Price:</b>	Notes may be issued at par or at a discount or premium to par.
<b>Maturities:</b>	Any maturity in excess of one month, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory requirements.
<b>Extended Maturity Date:</b>	An Extended Maturity Date may apply to a Series of Notes, as specified in the applicable Final Terms.
<b>Redemption:</b>	Notes may be redeemable at par or at such other redemption amount as may be specified in the applicable Final Terms.
<b>Interest:</b>	<p>Notes may be interest-bearing or non-interest bearing.</p> <p>Interest (if any) may accrue at a fixed or floating rate as may be specified in the applicable Final Terms and may vary during the lifetime of the relevant Series (including by way of the resetting of any fixed rate).</p> <p>On the occurrence of a Benchmark Event, the Calculation Agent may, subject to certain conditions and in accordance with Condition 4D, determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments.</p>
<b>Denominations:</b>	Notes will be issued in such denominations as may be specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency and save that the minimum denomination of each Note admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in

circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 or, where it is a Note to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) have access €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notes issued in registered form and offered and sold in the United States of America pursuant to Rule 144A under the Securities Act must have a minimum denomination as specified in the applicable Final Terms.

**Substitution or Variation:**

If at any time in the case of any Senior Non-Preferred Notes or Tier 2 Subordinated Notes (i) a Tax Event or (ii)(a) a Capital Event (in the case of Tier 2 Subordinated Notes) or (b) an Eligible Liabilities Event (in the case of Senior Non-Preferred Notes) occurs, the Issuer may either substitute all (but not some only) of the Notes for, or vary the terms of the Notes accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Notes. See Condition 5.16.

**Early Redemption:**

Early redemption for Notes will be permitted for taxation reasons as described in Conditions 5.02 and 5.03, and, in the case of Subordinated Notes, for capital or eligible liability exclusion reasons as described in Conditions 5.14 and 5.15, but will otherwise be permitted only to the extent specified in the applicable Final Terms.

**Taxation:**

Payments in respect of MTNs will be made by the Bank without withholding or deduction in respect of taxes for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or, if such taxes are required to be withheld or deducted, will be increased save as described in Condition 7. There will be no such increase for Covered Bonds and holders of Covered Bonds will receive only the net amount after any such withholding or deduction.

**Governing Law:**

The Notes, the Fiscal Agency Agreement, the Dealership Agreement, the Deed of Covenant (as defined under “*Terms and Conditions of the Notes*”), the Deed Poll (as defined under “*Terms and Conditions of the Notes*”) and any non-contractual obligations arising out of or in respect of the Notes, the Dealership Agreement and the Fiscal Agency Agreement will be governed by, and construed in accordance with, English law, except with respect to Conditions 3A, 3B and 3D (inclusive), which will be governed by, and construed in accordance with, the laws of the Kingdom of Sweden. Any non-contractual obligations arising out of or in respect of Conditions 3A, 3B and 3D (inclusive) will be governed by, and construed in accordance with, the laws of the Kingdom of Sweden.

**Rating:**

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing and admission to trading:**

Application has been made to Euronext Dublin for Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the Official List and trading on the Regulated Market.

**Terms and Conditions:**

The Terms and Conditions applicable to each Series will be as agreed between the Bank and the relevant Dealer or other purchaser at or prior to

the time of issuance of such Series, and will be specified in the applicable Final Terms. The Terms and Conditions applicable to each Series will therefore be those set out herein as completed by the applicable Final Terms.

**Enforcement of Notes in  
Global Form:**

In the case of Notes in global form, individual investors' rights will be governed by the Deed of Covenant, a copy of which will be available for inspection at the office of Citibank N.A., London Branch at 14th Floor, Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB.

**Clearing Systems:**

Euroclear, Clearstream, Luxembourg, DTC and/or, in relation to any Notes, any other clearing system as may be specified in the applicable Final Terms. See "*Book Entry Clearance Systems*".

Notes that are intended to be sold in both the United States of America and the euro markets may clear through Euroclear, Clearstream, Luxembourg and/or DTC, as specified in the applicable Final Terms. Notes that are intended to be sold primarily outside the United States of America will clear through Euroclear, Clearstream, Luxembourg and/or any other clearing system specified in the applicable Final Terms. See "*Book Entry Clearance Systems*".

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the EEA (including the UK) and Japan, see "*Subscription and Sale*".

## FORM OF THE NOTES

*Terms used but not defined herein shall have the same meaning as ascribed to them in the “Terms and Conditions of the Notes”.*

Unless otherwise provided with respect to a particular Series of Registered Notes in the applicable Final Terms, the Registered Notes of each Tranche of such Series offered and sold in reliance on Regulation S, which will be sold to persons other than U.S. persons (as defined in Regulation S) outside the United States of America, will initially be represented by a Regulation S Global Note in registered form which will, depending on the option specified in the applicable Final Terms, either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such common depositary, in each case on its issue date.

Unless otherwise provided with respect to a particular Series of Registered Notes in the applicable Final Terms, Registered Notes of each Tranche of such Series offered and sold in the United States of America in private transactions to QIBs will initially be represented by a Rule 144A Global Note in registered form (together with the Regulation S Global Note, the **Registered Global Notes**) which will, depending on the option specified in the applicable Final Terms, either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) be deposited with a common depositary or common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such common depositary or in the name of a nominee of the common safekeeper, in each case on its issue date. Registered Global Notes are subject to restrictions on transfer and will bear legends detailing such restrictions as set out under “*Notice to Purchasers and Holders of Notes and Transfer Restrictions*”. Registered Global Notes will be exchangeable for definitive Registered Notes only in the limited circumstances as more fully described herein. Registered Global Notes may be held under the NSS if so stated in the Final Terms.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described in Condition 2, to receive physical delivery of definitive Registered Notes.

Payments of principal of the Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date, in accordance with Conditions 8A.02 and 8B. Payments of interest on Registered Notes will be made on the relevant payment date to the person in whose name such Notes are registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date. None of the Bank, the Fiscal Agent, any Paying Agent, the Registrar or the Alternative Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Bearer Notes of each Tranche will be in bearer form and will initially be represented by a Temporary Global Note without receipts, interest coupons (**Coupons**) or talons, which will:

- (i) if the Bearer Global Notes (as defined below) are intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg; and
- (ii) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal and interest (if any) due prior to the 40th day after the later of the date of issue of the relevant Notes and the completion of the distribution of such Notes of each Series (the **Distribution Compliance Period**) will be made (against presentation of the Temporary Global Instrument, if the Temporary Global Instrument is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interest in such Note are not within the United States or its possessions or are not U.S.

persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Fiscal Agent.

On the expiry of the Distribution Compliance Period, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for interests in a Permanent Global Note (together with the Temporary Global Notes, **Bearer Global Notes**) without receipts, interest coupons or talons or for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless a Permanent Global Note or definitive Bearer Note has not been issued in exchange for the Temporary Global Note in accordance with their terms.

In the case of a Permanent Global Note, payments of principal and interest (if any) on the Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification. Unless otherwise specified in the applicable Final Terms, a Bearer Global Note will only be exchangeable (free of charge), in whole but not in part for Definitive Notes with, where applicable, receipts, interest coupons and talons attached in the circumstances specified in Condition 1 of the Terms and Conditions.

Where the Global Notes issued in respect of any Tranche are in NGN form or held under the NSS, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs or Registered Global Notes held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Pursuant to the Fiscal Agency Agreement (as defined under “*Terms and Conditions of the Notes*”) the Fiscal Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall not be assigned (where applicable) a common code, an ISIN, a FISN a CFI code, a CUSIP and/or a CINS assigned to Notes of any other Tranche of the same Series until the relevant Tranches are consolidated and form a single Series.

All Notes will be issued pursuant to the Fiscal Agency Agreement.

For so long as any of the Notes is represented by a Bearer Global Note deposited with a common depositary or a common safekeeper for Euroclear and Clearstream, Luxembourg or so long as a nominee for the common depositary for Euroclear and Clearstream, Luxembourg or for DTC, as the case may be, is the registered holder of a Registered Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or, as the case may be, DTC as entitled to a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC or its nominee as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes for which purpose such common depositary, common safekeeper or, as the case may be, nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the Fiscal Agency Agreement (and the expression **Noteholder** and related expressions shall be construed accordingly).

No beneficial owner of an interest in a Registered Global Note will be able to exchange or transfer that interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable.

The following legend will appear on all Bearer Global Notes (other than Temporary Global Notes), definitive Notes in bearer form, receipts and Coupons where TEFRA D is specified in the applicable Final Terms:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS IN SECTIONS 165(J) AND 1287(A) OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED.”

The sections referred to provide that U.S. holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or Coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts or Coupons.

Any reference in this section “*Form of the Notes*” to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits except in relation to Notes issued in NGN form or held under the NSS, be deemed to include a reference to any additional or alternative clearing system approved by the Bank, the relevant Dealer and the Fiscal Agent.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which (subject to completion) will be applicable to each Series of Notes:*

This Note is one of a Series (as defined below) of Notes issued by Skandinaviska Enskilda Banken AB (publ) (the **Bank**) in accordance with an amended and restated fiscal agency agreement dated 14th June, 2019, as supplemented by the Supplemental Fiscal Agency Agreement dated 26th June, 2020 (together, the **Fiscal Agency Agreement**, which expression shall include any amendments or supplements thereto) made between the Bank, Citibank N.A., London Branch in its capacities as fiscal agent (the **Fiscal Agent**, which expression shall include any successor to Citibank N.A., London Branch in its capacity as such) and as principal registrar (the **Principal Registrar**, which expression shall include any successor to Citibank N.A., London Branch in its capacity as such), Citigroup Global Markets Europe AG in its capacity as alternative registrar (the **Alternative Registrar**, which expression shall include any successor to Citigroup Global Markets Europe AG in its capacity as such) and certain other financial institutions named therein in their capacities as paying agents (the **Paying Agents**, which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement).

If so specified in the applicable Final Terms, the Bank will also appoint a calculation agent with respect to a Series (the **Calculation Agent**, which expression shall include any successor calculation agent and any other calculation agent specified in the applicable Final Terms).

References herein to the **Notes** shall, except where the context otherwise requires, be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a **Global Note**), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (iv) any definitive Notes in registered form (**Registered Notes**) whether or not issued in exchange for a Global Note in registered form.

The Notes are the subject of a set of final terms (the **applicable Final Terms**) prepared by or on behalf of the Bank a copy of which is available for inspection at the specified office of the Fiscal Agent or, if this Note forms part of a Series of Registered Notes, the Registrar.

The applicable Final Terms (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions.

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Words and expressions defined in the Fiscal Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Fiscal Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

Any reference to **Noteholders** or **Holders** in relation to the Notes shall mean (if this Note forms part of a Series of Bearer Notes) the bearers of the Notes and (if this Note forms part of a Series of Registered Notes) the persons in whose name the Notes are registered and shall, if the Notes are represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts (as defined below) and any reference herein to **Couponholders** shall mean the holders of the Coupons (as defined below) and shall, unless the context otherwise requires, include the holders of the Talons (as defined below).

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders, the Receipholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 18th June, 2014 and made by the Bank. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Fiscal Agency Agreement, the Deed of Covenant and a deed poll (the **Deed Poll**) dated 2nd November, 2007 and made by the Bank are available for inspection during normal business hours at the specified office of each of the Paying Agents and the Registrar (as defined below). If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin (**Euronext Dublin**), the Final Terms will be published on the website of Euronext Dublin at [www.ise.ie](http://www.ise.ie). Copies of the applicable Final Terms are also available for viewing at Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden and copies may be obtained from Citibank N.A., London Branch, 14th Floor, Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB. The Noteholders, the Receipholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Fiscal Agency Agreement, the Deed of Covenant, the Deed Poll and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement.

In these Terms and Conditions, **euro** means the 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.

## 1. Form and Denomination

### *General Provisions*

**1.01** Notes are issued in bearer form or in registered form, as specified in the applicable Final Terms, and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a medium term note (an **MTN**) or a covered bond (a **Covered Bond**) issued, in the latter case, as bonds (*säkerställda obligationer*) pursuant to the Swedish Act (2003:1223) on Issuance of Covered Bonds (*lagen (2003:1223) om utgivning av säkerställda obligationer*) (the **Covered Bond Act**), as specified in the applicable Final Terms. If this Note is an MTN, it may be a Senior Note or a Subordinated Note and, in the case of a Senior Note, a Senior Preferred Note (including a Senior Preferred MREL Eligible Note) or a Senior Non-Preferred Note or, in the case of a Subordinated Note, a Senior Subordinated Note or a Tier 2 Subordinated Note, in each case as specified in the applicable Final Terms. References in these Terms and Conditions to **Notes** shall be construed accordingly.

This Note may (i) bear interest calculated by reference to one or more fixed rates of interest (such Note, a **Fixed Rate Note**), (ii) bear interest calculated by reference to, in the case of an initial period, an initial fixed rate of interest and, thereafter, the applicable fixed rate of interest that has been determined pursuant to the reset provisions contained in these Terms and Conditions, by reference to a mid-market swap rate for the Specified Currency (such Note, a **Fixed Reset Note**), (iii) bear interest calculated by reference to one or more floating rates of interest (such Note, a **Floating Rate Note**), (iv) be issued on a non-interest bearing basis and be offered and sold at a discount to its nominal amount (such Note, a **Zero Coupon Note**), or (v) be a combination of any of the foregoing.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

### *Bearer Notes*

**1.02** Bearer Notes are represented upon issue either (a) if so specified in the applicable Final Terms, by a temporary global note (a **Temporary Global Note**) or (b) if so specified in the applicable Final Terms, by a permanent global note (a **Permanent Global Note**) and, together with a Temporary Global Note, the **Bearer Global Notes**, in each case in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. In the case of Notes represented on issue by a Temporary Global Note, on or after the date (the **Exchange Date**) which is 40 days after the date of issue of the Notes and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in the form set out in the Temporary Global Note) has been received, interests in the Temporary Global Note may be exchanged for either:



- (i) if so specified in the applicable Final Terms, interests in a Permanent Global Note; or
- (ii) if so specified in the applicable Final Terms, definitive Notes in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement.

**1.03** If any date on which a payment of interest is due on the Bearer Notes occurs whilst any of the Bearer Notes are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations has been received by Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**). Payments of principal or interest (if any) on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification.

**1.04** Interests in a Permanent Global Note will, as specified in the applicable Final Terms, be exchangeable for definitive Notes in whole (but not in part only) either:

- (i) at the option of the holders of interests in such Permanent Global Note; or
- (ii) only upon the occurrence of an Exchange Event (as defined in Condition 1.07).

**1.05** Interest-bearing definitive Bearer Notes will have attached thereto at the time of their initial delivery Coupons, presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest-bearing definitive Bearer Notes which have more than 27 interest payments remaining on issue will also have attached thereto at the time of their initial delivery talons for further Coupons (**Talons**). Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments will have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Bearer Global Notes do not have Receipts, Coupons or Talons attached on issue.

#### *Registered Notes*

**1.06** Registered Notes will:

- (i) if offered and sold in reliance on Regulation S, initially be represented by a global note in registered form, without Receipts or Coupons (a **Regulation S Global Note**); or
- (ii) if offered and sold in reliance on Rule 144A under the Securities Act, initially be represented by a global note in registered form, without Receipts or Coupon (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**).

Each Registered Global Note will be deposited with either (a) if so specified in the applicable Final Terms, a common depository for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such common depository or (b) if so specified in the applicable Final Terms, a custodian for, and registered in the name of a nominee of, The Depository Trust Company in New York (**DTC**) and each Registered Global Note will be in substantially the form (subject to completion) scheduled to the Fiscal Agency Agreement. Interests in Registered Global Notes may be exchanged for definitive Registered Notes, without Receipts or Coupons, in the manner, and subject to the conditions, set out in Condition 1.07 and Condition 2.

**1.07** Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes only upon the occurrence of an Exchange Event. For these purposes, Exchange Event means that (i) an Event of Default has occurred and is continuing, (ii) in the case of a Series of Notes some or all of which are held through DTC, DTC has notified the Bank that it is unwilling or unable to continue to act as depository for the Notes or DTC has ceased to constitute a clearing agency registered under the Exchange Act and, in each case, no alternative clearing system is available, (iii) in the case of a Series of Notes some or all of which are held through Euroclear and/or Clearstream, Luxembourg, the Bank has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available, or (iv) the Bank has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

## **2. Title**

**2.01** Subject as set out below, title to Bearer Notes, Receipts and Coupons passes by delivery.

**2.02** Subject as set out below, title to Registered Notes passes by registration in the register (the **Register**) which is kept by the Principal Registrar or, if the applicable Final Terms so specifies, the Alternative **Registrar**. For the purposes of these Terms and Conditions, **Registrar** means the Principal Registrar or the Alternative Registrar as so specified in the applicable Final Terms.

**2.03** The Holder of any Note, Receipt or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note or a Registered Global Note held by or on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Bank, the Registrar and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Bank, the Registrar and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **Holder** and related expressions shall be construed accordingly.

For so long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Fiscal Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

#### *Transfer of Registered Notes*

**2.04** Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Fiscal Agency Agreement. Transfers of a Registered Global Note held through DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

**2.05** Subject as provided in paragraphs 2.08 and 2.09 below, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in any Specified Denomination). In order to effect any such transfer (i) the Holder or Holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar, with the form of transfer thereon duly executed by the Holder or Holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar and (ii) the Registrar must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Bank and the Registrar may from time to time prescribe (the initial such regulations being set out in the Fiscal Agency Agreement). Subject as provided above, the Registrar will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure

the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

**2.06** In the event of a partial redemption of Notes under Condition 5.04, the Bank shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

**2.07** Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Bank may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

**2.08** Prior to expiry of the period that ends 40 days after the completion of the distribution of the Tranche of Notes of which this Note forms part, transfers by the Holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Fiscal Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a “qualified institutional buyer” (a **QIB**) within the meaning of Rule 144A (**Rule 144A**) under the U.S. Securities Act of 1933, as amended (the **Securities Act**) in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Bank (but at the cost of the transferee and/or transferor) of such satisfactory evidence as the Bank may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

**2.09** Transfers of Legended Notes (as defined below) or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S under the Securities Act; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Bank (but at the cost of the transferee and/or transferor) of such satisfactory evidence as the Bank may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend on the face of any such Note detailing the restrictions on transfer of the Note, the Registrar shall deliver only Legended Notes or refuse to remove such legend, as the case may be, unless there is delivered to the Bank such satisfactory evidence as may reasonably be required by the Bank, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

In these Terms and Conditions, **Legended Note** means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A.

### 3. Status

The applicable Final Terms will indicate whether the Notes are Senior Notes, Subordinated Notes or Covered Bonds.

#### 3A. Status – Senior Notes

##### *Senior Preferred Notes*

**3A.01** This Condition 3A.01 is applicable in relation to Notes specified in the applicable Final Terms as being Senior Preferred Notes (including Senior Preferred MREL Eligible Notes). In such case, the Notes constitute unsecured and unsubordinated obligations of the Bank and rank *pari passu* without any preference among themselves. In the event of the (a) voluntary or involuntary liquidation (*likvidation*) or (b) bankruptcy (*konkurs*) of the Bank, the rights of the Holders of the Notes to payments on or in respect of the Notes shall rank at least *pari passu* with the claims of creditors on or in respect of all other outstanding unsecured and unsubordinated obligations of the Bank, present and future (including Senior Preferred Obligations), but only to the extent permitted by laws relating to creditors' rights, and in priority to the claims of creditors on or in respect of all Senior Non-Preferred Obligations.

In these Terms and Conditions:

**Senior Non-Preferred Obligations** means all outstanding unsecured and unsubordinated obligations of the Bank, present and future, that rank or are expressed to rank junior to Senior Preferred Obligations; and

**Senior Preferred Obligations** means all outstanding unsecured and unsubordinated obligations of the Bank, present and future, other than Senior Non-Preferred Obligations.

##### *Senior Non-Preferred Notes*

**3A.02** This Condition 3A.02 is applicable in relation to Notes specified in the applicable Final Terms as being Senior Non-Preferred Notes on and following the implementation in Sweden of the BRRD Ranking Amendment Directive. In such case, the Notes constitute unsecured and unsubordinated obligations of the Bank and rank *pari passu* without any preference among themselves. In the event of the (a) voluntary or involuntary liquidation (*likvidation*) or (b) bankruptcy (*konkurs*) of the Bank, the rights of the Holders of the Notes to payments on or in respect of the Notes shall rank in accordance with the priority provided to Senior Non-Preferred Obligations in the second sentence of the first sub-paragraph of paragraph 18 of the Swedish Rights of Priority Act as follows:

- (i) junior to (1) any present or future claims of depositors of the Bank and (2) the claims of creditors on or in respect of all Senior Preferred Obligations;
- (ii) at least *pari passu* with the claims of creditors on or in respect of all other Senior Non-Preferred Obligations; and
- (iii) in priority to the claims of all subordinated creditors of the Bank (including Holders of the Subordinated Notes and holders of any outstanding Existing Tier 1 Instruments and Additional Tier 1 Instruments) and payments to holders of all classes of share capital of the Bank in their capacity as such holders.

In these Terms and Conditions:

**BRRD Ranking Amendment Directive** means Directive (EU) 2017/2399 of the European Parliament and of the Council of 12th December, 2017 amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy;

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of 15th May, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as implemented in Sweden, unless the context otherwise requires, and including as amended by Directive 2019/879/EU of the European Parliament and of the European Council of 20th May, 2019 and as further amended or replaced; and

**Swedish Rights of Priority Act** means the Swedish Rights of Priority Act (1970:979) (*förmånsrättslagen* (1970:979), including as amended or replaced.

### **3B. Status – Subordinated Notes**

This Condition 3B is applicable in relation to Notes specified in the applicable Final Terms as being Subordinated Notes. In such case, the Notes constitute unsecured and subordinated obligations of the Bank and rank *pari passu* without any preference among themselves. In the event of the (a) voluntary or involuntary liquidation (*likvidation*) or (b) bankruptcy (*konkurs*) of the Bank, the rights of the Holders of the Notes to payments on or in respect of the Notes shall rank:

- (i) junior to any present or future claims of (A) depositors of the Bank, (B) other unsecured and unsubordinated creditors of the Bank (including Holders of the Senior Preferred Notes and the Senior Non-Preferred Notes) and (C) in the case of Tier 2 Subordinated Notes, holders of Senior Subordinated Notes (subject as provided in (ii)(B) below) and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, in priority to the Notes;
- (ii) in the case of Senior Subordinated Notes:
  - (A) at least *pari passu* with the claims of all other subordinated creditors of the Bank (including holders of any outstanding Existing Subordinated Notes) other than in respect of claims of holders of any outstanding Tier 2 Instruments (subject as provided in (B) below), Existing Tier 1 Instruments and Additional Tier 1 Instruments, and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, junior to the Notes; and
  - (B) for so long as any of the Existing Subordinated Notes remain outstanding, *pari passu* with, but otherwise at all times in priority to, claims of holders of Tier 2 Instruments;
- (iii) in the case of Tier 2 Subordinated Notes, at least *pari passu* with claims of holders of any other Tier 2 Instruments and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, *pari passu* with the Notes; and
- (iv) in priority to claims of holders of any outstanding Existing Tier 1 Instruments and Additional Tier 1 Instruments, and payments to holders of all classes of share capital of the Bank in their capacity as such holders, and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, junior to the Notes.

In these Terms and Conditions:

**Additional Tier 1 capital** means Additional Tier 1 capital (*Primärkapital*) as defined in Applicable Banking Regulations;

**Additional Tier 1 Instruments** means any debt instruments of the Bank that at the time of issuance comply with the then current requirements under Applicable Banking Regulations in relation to Additional Tier 1 capital;

**Applicable Banking Regulations** means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy or resolution then in effect in Sweden including, without limitation to the generality of the foregoing, CRD V, the BRRD and those regulations, requirements, guidelines and policies relating to capital adequacy or resolution of the SFSA and the Resolution Authority (as defined in Condition 5.15), respectively, in each case to the extent then in effect in Sweden (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Bank or the SEB Group);

**CRD V** means, taken together, the (i) CRD Directive (ii) CRR and (iii) Future Capital Instruments Regulations;

**CRD Directive** means Directive 2013/36/EU of the European Parliament and of the Council of 26th June, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as implemented in Sweden and including as amended by Directive 2019/878/EU of the European Parliament and of the Council of 20th May, 2019, and as further amended or replaced;

**CRR** means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26th June, 2013 on the prudential requirements for credit institutions and investment firms, as implemented and/or applicable in Sweden and including as amended by Regulation (EU) No. 2019/876 of the European Parliament and of the Council of 20th May, 2019, and as further amended or replaced;

**Existing Subordinated Notes** means those notes specified as such in the applicable Final Terms;

**Existing Tier 1 Instruments** means those instruments specified as such in the applicable Final Terms;

**Future Capital Instruments Regulations** means any Applicable Banking Regulations that come into effect after the Issue Date and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Bank (on a stand-alone or consolidated basis);

**SEB Group** means the Bank together with its consolidated subsidiaries and associated companies;

**SFSA** means the Swedish Financial Supervisory Authority or such other or successor authority in Sweden (or, if the Bank becomes subject to primary bank supervision in a jurisdiction other than Sweden, in such other jurisdiction) having primary bank supervisory authority with respect to the Bank;

**Tier 2 capital** means Tier 2 capital (*Supplementärt kapital*) as defined in Applicable Banking Regulations; and

**Tier 2 Instruments** means any Existing Subordinated Notes, Tier 2 Subordinated Notes or other debt instruments of the Bank that at the time of issuance comply with the then current requirements under Applicable Banking Regulations in relation to Tier 2 capital.

### **3C. Waived Set-Off Rights**

This Condition 3C is applicable in relation to Notes specified in the applicable Final Terms as being Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes.

No Holder of a Note may at any time exercise or claim any Set-Off Rights against any right, claim or liability of the Bank or that the Bank may have or acquire against such Holder, directly or indirectly and howsoever arising (and including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any kind or any non-contractual obligation, whether or not relating to that Note) and each Holder of any Note shall be deemed to have waived all Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any amount payable by the Bank in respect of, or arising under or in connection with, any Note to any Holder of such Note is discharged by set-off or any netting, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Bank and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Bank and, accordingly, any such discharge shall be deemed not to have taken place.

Nothing in this Condition 3C is intended to provide, or shall be construed as acknowledging, any Set-Off Rights or that any such Set-Off Right is or would be available to any Holder of any Note but for this Condition 3C.

In this Condition 3C, **Set-Off Rights** means any and all rights or claims of any holder of a Note against the Bank for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note.

### **3D. Status – Covered Bonds**

This Condition 3D is applicable to Notes specified in the applicable Final Terms as being Covered Bonds. The Covered Bonds of each Series constitute unsubordinated obligations of the Bank and rank *pari passu* without any preference among themselves. The Covered Bonds are obligations issued or converted in accordance with the Covered Bond Act and rank *pari passu* with all other obligations of the Bank that have been provided with the same priority as Covered Bonds pursuant to the Swedish Rights of Priority Act. To the extent that claims in relation to the Covered Bonds are not met out of the pool of assets, the residual claims will rank at least *pari passu* with the claims of unsecured and unsubordinated creditors of the Bank (including Senior Preferred Obligations), and in priority to the claims of creditors on or in respect of all Senior Non-Preferred Obligations.

In accordance with the Covered Bond Act, the Bank intends to ensure that the nominal value of the assets in the cover pool (the **Cover Pool**) relating to the Covered Bonds and established in accordance with the Covered

Bond Act will at all times exceed the nominal value of claims that may be asserted against the Bank in relation to the Covered Bonds. In addition, the Bank undertakes that if the Rating Condition is not, at any time, met, then, on each Quarter Date (or, if such Quarter Day is not a Business Day, the next following Business Day) during which the Rating Condition is not met, the Bank will, to the extent necessary at the time, contribute additional assets to the Cover Pool which are eligible to be contributed to the Cover Pool in accordance with the Covered Bond Act to ensure that the aggregate nominal value of the assets in the Cover Pool exceeds the sum of (i) the nominal value of claims that may be asserted against the Bank in relation to the Covered Bonds and (ii) the sum of the Set-Off Amounts in respect of all Relevant Mortgagors.

In these Terms and Conditions:

**Business Day** means a day on which commercial banks are open for general business in Stockholm;

**Moody's** means Moody's Investors Service (Nordics) AB;

**Quarter Dates** means, (i) any date on which the long-term senior unsecured obligations on the Bank cease to be rated "A3" or above by Moody's or the equivalent of "A3" by such other internationally recognised rating agency (as described in the definition of Rating Condition) and (ii) each other date that falls three months after the last preceding Quarter Date;

**Rating Condition** means either (i) if the Bank is at the time rated by Moody's, its long-term senior unsecured obligations are rated "A3" or above or (ii) if the Bank is not at the time rated by Moody's, it is rated by at least one other internationally recognised rating agency and its long-term senior unsecured obligations are rated by such agency at least the equivalent of an "A3" rating by Moody's;

**Relevant Mortgagors** means those mortgagors whose mortgage loans are included in the Cover Pool and who also hold deposits with or have otherwise lent money to the Bank; and

**Set-Off Amount** means, in respect of each Relevant Mortgagor, the lesser of (i) all claims of such Relevant Mortgagor against the Bank (including deposits) and (ii) the nominal value of mortgage loans owed by such Relevant Mortgagor that are included in the Cover Pool.

#### **4. Interest**

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Fixed Reset Notes, Floating Rate Notes or Zero Coupon Notes.

##### **4A. Interest – Fixed Rate**

This Condition 4A applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4A for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

If the Notes are specified in the applicable Final Terms as being Fixed Rate Notes, the Notes shall bear interest on their outstanding nominal amount from and including the Interest Commencement Date at the rate or rates per annum equal to the Rate(s) of Interest. Such interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date. For so long as any of the Fixed Rate Notes are represented by a Global Note, interest will be calculated on the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note. In respect of each Fixed Rate Note in definitive form, interest will be calculated on its outstanding nominal amount.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by (i) a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or
- (B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the outstanding aggregate principal amount of Fixed Rate Notes, which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In this Condition 4A, **Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4A:

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (b) in the case of Notes where the number of days in the **Accrual Period** is longer than the Determination Period during which the Accrual Periods ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates that would occur in one calendar year;
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a 360-day year consisting of 12 months of 30 days each) divided by 360; and
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In these Terms and Conditions:

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and



**sub-unit** means with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

#### **4B. Interest – Fixed Reset**

This Condition 4B applies to Fixed Reset Notes only. The applicable Final Terms contains provisions applicable to the determination of the resetting of the Rate of Interest for Fixed Reset Notes and must be read in conjunction with this Condition 4B for full information on the manner in which interest is calculated on Fixed Reset Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Reset Date, any Subsequent Reset Date(s), the Reset Margin, the Specified Currency, the Relevant Screen Page, the Floating Leg Reference Rate, the Floating Leg Screen Page and the Initial Mid-Swap Rate.

**4B.01** If the Notes are specified in the applicable Final Terms as being Fixed Reset Notes, the Notes shall bear interest:

- (i) from (and including) the Interest Commencement Date to (but excluding) the Reset Date at the rate per annum equal to the Initial Interest Rate; and
- (ii) from (and including) the Reset Date to (but excluding) either (a) the Maturity Date or (b) if applicable, the first Subsequent Reset Date and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each period in (a) and (b) being a **Reset Period**), in each case at the rate per annum equal to the relevant Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date or, if none, the redemption, or purchase and cancellation, of the Notes.

The provisions of this Condition 4B shall apply, as applicable, in respect of any determination by the Fiscal Agent of the Rate of Interest for a Reset Period in accordance with this Condition 4B as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Fiscal Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 4B. Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 4B shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Terms and Conditions:

**Mid-Swap Rate** means, in relation to the Reset Date or relevant Subsequent Reset Date, as the case may be, and the Reset Period commencing on the Reset Date or that Subsequent Reset Date, the rate for the Reset Date or that Subsequent Reset Date of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively (with such semi-annual swap rate to be converted to a quarterly rate in accordance with market convention, in the case of quarterly Interest Payment Dates) for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date. If such rate does not appear on the Relevant Screen Page, the Mid-Swap Rate for the Reset Date or relevant Subsequent Reset Date, as the case may be, will be the Reset Reference Bank Rate for the Reset Period;

**Reference Banks** means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Bank;

**Relevant Screen Page** means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Fiscal Agent, for the purpose of displaying equivalent or comparable rates to the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

**Representative Amount** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**Reset Determination Date** means the second Business Day immediately preceding the Reset Date or relevant Subsequent Reset Date, as the case may be;

**Reset Period Mid-Swap Rate Quotations** means the bid and offered rates for the semi-annual or annual, as applicable, fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date or relevant Subsequent Reset Date, as the case may be, and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Relevant Screen Page was the Floating Leg Screen Page;

**Reset Reference Bank Rate** means, in relation to the Reset Date or relevant Subsequent Reset Date, as the case may be, and the Reset Period commencing on the Reset Date or that Subsequent Reset Date, the percentage determined on the basis of the arithmetic mean of the Reset Period Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 in the principal financial centre of the Specified Currency on the Reset Determination Date. The Fiscal Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for the Reset Date or relevant Subsequent Reset Date, as the case may be, will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate; and

**Reset Rate** means the sum of the Reset Margin and the Mid-Swap Rate for the relevant Reset Period.

#### **4C. Interest – Floating Rate**

This Condition 4C applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4C for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Fiscal Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

**4C.01** If the Notes are specified in the applicable Final Terms as being Floating Rate Notes, the Notes shall bear interest from and including the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each **Interest Period** (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date). For so long as any of the Floating Rate Notes are represented by a Global Note, interest will be calculated on the aggregate outstanding nominal amount of the Notes represented by such Global Note. In respect of each Floating Rate Note in definitive form, interest will be calculated on its outstanding nominal amount.

If a Business Day Convention is specified in the applicable Final Terms and (a) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (b) if any Interest

Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with paragraph (ii) above, the Floating Rate Convention, such Interest Payment Date (I) in the case of (a) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (II) in the case of (b) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, **Business Day** means:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (C) either (a) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency and which if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland and Hong Kong, respectively) or (b) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

**4C.02** The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

- (i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Fiscal Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) and under which:

- (a) the Floating Rate Option is as specified in the applicable Final Terms;
- (b) the Designated Maturity is a period specified in the applicable Final Terms; and

- (c) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (i), **Floating Rate, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (a) the offered quotation; or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR or STIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time (as defined below) on the Interest Determination Date in question plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined by the Fiscal Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the event that the Relevant Screen Page is not available or if, in the case of (a) above, no such offered quotation appears or, in the case of (b) above, fewer than three such offered quotations appear, in each case as at the Specified Time, the Fiscal Agent or the Calculation Agent, as applicable, shall request each of the Reference Banks (as defined below) to provide the Fiscal Agent or the Calculation Agent, as applicable, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Fiscal Agent or the Calculation Agent, as applicable, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margins (if any), all as determined by the Fiscal Agent or the Calculation Agent, as applicable.

If on any Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent or the Calculation Agent, as applicable, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Fiscal Agent or the Calculation Agent, as applicable, determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Fiscal Agent or the Calculation Agent, as applicable, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Fiscal Agent or the Calculation Agent, as applicable, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest

Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Bank suitable for the purpose) informs the Fiscal Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro Zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition 4C.02(ii):

**Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in each case selected by the Fiscal Agent or the Calculation Agent, as applicable,; and

**Specified Time** means 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR, or Stockholm time, in the case of STIBOR).

(iii) *Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA*

*Non-Index Determination*

(A) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being "Compounded Daily SONIA", the Rate of Interest for each Interest Period will, subject as provided below and save where "Index Determination" is specified as being applicable, be Compounded Daily SONIA with respect to such Interest Period plus or minus the Margin (if any) as specified in the applicable Final Terms, all as determined and calculated by the Fiscal Agent or the Calculation Agent, as applicable.

**Compounded Daily SONIA** means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the SONIA Observation Period corresponding to such Interest Period (with the SONIA reference rate as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** means the number of calendar days in (where in the applicable Final Terms "Lag" is specified as the Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SONIA Observation Period;

**d<sub>o</sub>** means the number of London Banking Days in (where in the applicable Final Terms "Lag" is specified as the Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SONIA Observation Period;

**i** means a series of whole numbers from one to **d<sub>o</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in (where in the applicable Final Terms "Lag" is specified as the Observation Method) the relevant Interest Period

or (where in the applicable Final Terms “Shift” is specified as the Observation Method) the SONIA Observation Period;

**London Banking Day** or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

$n_i$ , for any London Banking Day  $i$ , means the number of calendar days from (and including) such London Banking Day  $i$  up to (but excluding) the following London Banking Day;

**Observation Look-Back Period** is the period of London Banking Days specified in the applicable Final Terms;

$p$  means the number of London Banking Days included in the Observation Look-Back Period;

**SONIA Observation Period** means the period from (and including) the date falling  $p$  London Banking Days prior to the first day of the relevant Interest Period to (but excluding) the date falling  $p$  London Banking Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition and the operation of the relevant provisions is excluded from such Interest Period);

the **SONIA reference rate**, in respect of any London Banking Day, is the daily Sterling Overnight Index Average (**SONIA**) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

**SONIA<sub>i</sub>-pLBD** means:

- (I) where in the applicable Final Terms “Lag” is specified as the Observation Method, in respect of any London Banking Day  $i$  falling in the relevant Interest Period, the SONIA reference rate for the London Banking Day falling  $p$  London Banking Days prior to such day; or
  - (II) where in the applicable Final Terms “Shift” is specified as the Observation Method, SONIA<sub>i</sub>, where SONIA<sub>i</sub> is, in respect of any London Banking Day  $i$  falling in the relevant SONIA Observation Period, the SONIA reference rate for such day.
- (1) If, in respect of any London Banking Day in the relevant SONIA Observation Period, the applicable SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then (unless the Principal Paying Agent or the Calculation Agent, as applicable, has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 4D below, if applicable) the SONIA reference rate in respect of such London Banking Day shall be: (i) the Bank of England’s Bank Rate (the “Bank Rate”) prevailing at 5.00 p.m. (or, if earlier, close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and the lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).
  - (2) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:
    - (a) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

- (b) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).
- (3) If the Notes become due and payable in accordance with Condition 6, the final Rate of Interest shall be calculated for the Interest Period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 4G.

*Index Determination*

- (B) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being "Compounded Daily SONIA", and "Index Determination" is specified as being applicable, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA rate for such Interest Period as determined by reference to the screen rate or index for Compounded Daily SONIA administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the relevant Interest Determination Date, as further specified in the applicable Final Terms (the **SONIA Compounded Index**) and in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined and calculated by the Fiscal Agent or the Calculation Agent, as applicable.

**Compounded Daily SONIA rate =**

$$\left( \frac{\text{SONIA Compounded Index}_y}{\text{SONIA Compounded Index}_x} - 1 \right) \times \frac{365}{d}$$

where:

**x** denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Period;

**y** denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the Interest Payment Date for such Interest Period, or such other date as when the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

**d** is the number of calendar days from (and including) the day in relation to which **x** is determined to (but excluding) the day in relation to which **y** is determined; and

**Relevant Number** is as specified in the applicable Final Terms.

**4C.03** If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4C.02 is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

**4C.04** If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of

Condition 4C.02 is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

**4C.05** The Fiscal Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Fiscal Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes; or
- (B) in the case of Floating Rate Notes, which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In this Condition 4C.05, **Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;



“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

**4C.06** Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Fiscal Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final

Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Fiscal Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

**Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

**4C.07** The Fiscal Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Bank and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

**4C.08** All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4C or Conditions 4D or 8D, whether by the Fiscal Agent or, if applicable, the Calculation Agent or the Benchmark Calculation Agent, as the case may be, and in the case of Conditions 4D or 8D, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the Fiscal Agent or, if applicable, the Calculation Agent or the Benchmark Calculation Agent, as the case may be, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Bank, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or, if applicable, the Calculation Agent or the Benchmark Calculation Agent, as the case may be, (in the case of Conditions 4D or 8D) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. The Calculation Agent or the Benchmark Calculation Agent, as the case may be (if applicable and in the case of Conditions 4D or 8D) is acting solely as an agent of the Bank (if it is an entity other than the Bank), and the Calculation Agent or the Benchmark Calculation Agent, as the case may be (acting in such capacity) does not assume any obligation to, or relationship of agency or trust with, nor have any liability whatsoever to, any Noteholders, Receiptholders or Couponholders.

#### **4D. Benchmark Discontinuation**

Notwithstanding the provisions in Conditions 4B or 4C, as the case may be, above, and except where “USD LIBOR Benchmark Replacement” is specified as being applicable in the applicable Final Terms, if the Bank or the Benchmark Calculation Agent (in consultation with the Bank, where the Benchmark Calculation Agent is a party other than the Bank, or, if the Benchmark Calculation Agent deems it appropriate, an Independent Adviser) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to that Original Reference Rate, then the following provisions of this Condition 4D shall apply.

##### *Successor Rate or Alternative Rate*

**4D.01** If the Benchmark Calculation Agent, acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its sole discretion that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4D.02) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4D); or

- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4D.02) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4D).

#### **4D.02** *Adjustment Spread*

If the Benchmark Calculation Agent, acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its sole discretion that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), then the Benchmark Calculation Agent shall, if necessary, calculate such Adjustment Spread and apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

#### **4D.03** *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4D and the Benchmark Calculation Agent, acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its sole discretion (A) that amendments to these Terms and Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Bank and the Fiscal Agent or the Benchmark Calculation Agent, as applicable, shall, subject to giving notice thereof in accordance with Condition 4D.05, without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders, agree to the necessary modifications to these Terms and Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such modifications in accordance with this Condition 4D.03, the Bank shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading. Notwithstanding any other provision of this Condition 4D, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the treatment of any relevant Series of Subordinated Notes as Tier 2 capital of the Bank.

#### **4D.04** *Benchmark Calculation Agent and any Independent Adviser*

In the event the Benchmark Calculation Agent determines it appropriate, in its sole discretion, to consult with an Independent Adviser in connection with any determination to be made by the Benchmark Calculation Agent pursuant to this Condition 4D, the Bank shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

An Independent Adviser appointed pursuant to this Condition 4D shall act in good faith in a commercially reasonable manner but shall have no relationship of agency or trust with the Noteholders and (in the absence of fraud) shall have no liability whatsoever to the Benchmark Calculation Agent or the Noteholders, the Receiptholders or the Couponholders for any determination made by it or for any advice given to the Benchmark Calculation Agent in connection with any determination made by the Benchmark Calculation Agent pursuant to this Condition 4D or otherwise in connection with the Notes.

If the Benchmark Calculation Agent consults with an Independent Adviser as to the occurrence of any Benchmark Event and/or whether there is a Successor Rate or an Alternative Rate and/or any Adjustment Spread is required to be applied and/or in relation to the quantum of, or any formula or methodology for determining such Adjustment Spread and/or whether any Benchmark Amendments are necessary and/or in relation to the terms of any such Benchmark Amendments, a written determination of that Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of fraud) the Benchmark Calculation Agent shall have no liability whatsoever to any Noteholders, Receiptholders or Couponholders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination or otherwise in connection with the Notes.

#### **4D.05 Notice**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4D will be notified promptly by the Bank to the Paying Agents and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

#### **4D.06 Survival of Original Reference Rate Provisions**

Without prejudice to the obligations of the Benchmark Calculation Agent and the Bank under this Condition 4D, the Original Reference Rate and the fallback provisions provided for in Conditions 4B, 4C.02(ii), the Agency Agreement and the applicable Final Terms, as the case may be, will continue to apply unless and until the Benchmark Calculation Agent has determined the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with the relevant provisions of this Condition 4D.

#### **4D.07 Definitions**

In this Condition 4D:

**Adjustment Spread** means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive or negative and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) where the Original Reference Rate is replaced with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate if no such spread, formula or methodology is formally recommended or provided as an option by any Relevant Nominating Body or in the case of an Alternative Rate, is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate,

or if no such recommendation or option has been made (or made available), or the Benchmark Calculation Agent, acting in good faith and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines there is no such spread, formula or methodology in customary market usage, the spread, formula or methodology which the Benchmark Calculation Agent, following consultation with an Independent Adviser, and acting in good faith and a commercially reasonable manner, determines in its sole discretion:

- (iii) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iv) if the Benchmark Calculation Agent so determines that no such industry standard is recognised or acknowledged, to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be),

and in either such case, which the Benchmark Calculation Agent, following consultation with an Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be so applied;

**Alternative Rate** means an alternative benchmark or screen rate which the Benchmark Calculation Agent determines in accordance with this Condition 4D is used in place of the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

**Benchmark Calculation Agent** means the Calculation Agent in respect of the Notes unless (i) where the Calculation Agent is a party other than the Bank, that party fails to perform or notifies the Bank that it is unable to perform any of the duties or obligations of the Benchmark Calculation Agent under this Condition 4D or (ii) where the Calculation Agent is the Bank, the Bank determines in its sole discretion to appoint another party as Benchmark Calculation Agent, in which case for each of (i) and (ii) above the Benchmark Calculation Agent shall be such other party as is appointed by the Bank to act as Benchmark Calculation Agent, which party may, in the case of (i) above, include the Bank or an affiliate of the Bank and shall be a leading bank or financial institution, or another party of recognised standing and with appropriate expertise to make the determinations and/or calculations to be made by the Benchmark Calculation Agent;

**Benchmark Event** means:

- (i) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;
- (ii) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six months prior to such specified date;
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued, is prohibited from being used or is no longer representative or will no longer be representative, or that its use is subject to restrictions or adverse consequences or, where such discontinuation, prohibition, restrictions or adverse consequences are to apply from a specified date after the making of any public statement to such effect, the later of the date of the making of such public statement and the date falling six months prior to such specified date; or
- (iv) it has or will prior to the next Interest Determination Date or Reset Determination Date, as applicable, become unlawful for the Calculation Agent, any Paying Agent or the Bank to determine any Rate of Interest and/or calculate any Interest Amount using the Original Reference Rate (including, without limitation, under Regulation (EU) No. 2016/1011, if applicable).

**Independent Adviser** means an independent financial institution of international repute or other independent adviser of recognised standing with appropriate expertise appointed by the Bank at its own expense;

**Original Reference Rate** means the benchmark or screen rate (as applicable) originally specified in the applicable Final Terms for the purposes of determining the relevant Rate of Interest (or any component part thereof) in respect of the Notes (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Rate);

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

#### **4E. USD LIBOR Benchmark Transition Event**

##### **4E.01 USD LIBOR Benchmark Replacement**

Notwithstanding the provisions in Conditions 4C or 4D above, where the Reference Rate is specified as being USD LIBOR and “USD LIBOR Benchmark Replacement” is specified as applicable, if the Bank determines that a USD LIBOR Benchmark Transition Event and its related USD LIBOR Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

##### **4E.02 USD LIBOR Benchmark Replacement Conforming Changes**

In connection with the implementation of a Benchmark Replacement, the Bank will have the right to make Benchmark Replacement Conforming Changes from time to time.

If the Bank exercises its right to make any Benchmark Replacement Conforming Changes, the Bank and the Fiscal Agent shall, subject to giving notice thereof in accordance with Condition 4E.04, without any requirement for the consent or approval of Noteholders, agree to the necessary modifications to these Terms and Conditions and/or the Agency Agreement to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice.

In connection with any Benchmark Replacement Conforming Changes in accordance with this Condition 4E.02, the Bank shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

##### **4E.03 Decisions and Determinations**

Any determination, decision or election that may be made by the Bank pursuant to this Condition 4E, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (including with respect to any Benchmark Replacement Conforming Change), will be conclusive and binding on all parties absent manifest error and subject as provided in this Condition 4E, may be made in the Bank’s sole discretion and, subject as provided in this Condition 4E, shall become effective without consent from any other party.

##### **4E.04 Notice**

Any Benchmark Replacement and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 4E will be notified promptly by the Bank to the Paying Agents and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement and the Benchmark Replacement Conforming Changes, if any.

##### **4E.05 Survival of the Applicable Benchmark and Related Provisions**

Without prejudice to the provisions of this Condition 4E, the Reference Rate and the fallback provisions provided for in Condition 4C or, where a USD LIBOR Benchmark Transition Event and its related USD LIBOR Benchmark Replacement Date have occurred with respect to the Reference Rate or the then current Benchmark, the applicable Benchmark Replacement and any related Benchmark Replacement Conforming Changes will continue to apply unless and until the Bank has determined the Benchmark Replacement, and any Benchmark Conforming Changes (or any further Benchmark Replacement and Benchmark Conforming Changes) in accordance with the relevant provisions of this Condition 4E.

##### **4E.06 Definitions**

In this Condition 4E:

**Benchmark** means, initially, the Reference Rate; provided that if a USD LIBOR Benchmark Transition Event and its related USD LIBOR Benchmark Replacement Date have occurred with respect to the Reference Rate or the then current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

**Benchmark Replacement** means the Interpolated Benchmark; provided that if the Bank cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then “Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Bank as of the Benchmark Replacement Date:

- (i) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;
- (ii) the sum of: (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;
- (iii) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (iv) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (v) the sum of: (a) the alternate rate of interest that has been selected by the Bank as the replacement for the then current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then current Benchmark for U.S. dollar denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Bank as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Bank giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate notes at such time;

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of Interest Period, timing and frequency of determining the Rate of Interest and making payments of interest and other administrative matters) that the Bank decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Bank decides that adoption of any portion of such market practice is not administratively feasible or if the Bank determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Bank determines is reasonably necessary).

**USD LIBOR Benchmark Replacement Date** means the earliest to occur of the following events with respect to the then current Benchmark:

- (i) in the case of sub-paragraph (i) or (ii) of the definition of USD LIBOR Benchmark Transition Event, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (ii) in the case of sub-paragraph (iii) of the definition of USD LIBOR Benchmark Transition Event, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the Benchmark is no longer representative as referenced in such public statement or publication of information.

If the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**USD LIBOR Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then current Benchmark:

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the

Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative or will no longer be representative;

**Compounded SOFR** means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the Interest Amount payable prior to the end of each Interest Period) being established by the Bank in accordance with:

- (i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (ii) if, and to the extent that, the Bank determines that Compounded SOFR cannot be determined in accordance with sub-paragraph (i) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Bank giving due consideration to any industry-accepted market practice for U.S. dollar denominated floating rate notes at such time;

**Corresponding Tenor** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then current Benchmark;

**Federal Reserve Bank of New York's Website** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

**Interpolated Benchmark** with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**ISDA Fallback Adjustment** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is the Reference Rate, the Specified Time on the Interest Determination Date in question, and (2) if the Benchmark is not the Reference Rate, the time determined by the Bank in accordance with the Benchmark Replacement Conforming Changes.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

**SOFR** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website;



**Term SOFR** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body; and

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

#### **4F. Interest – Interest Rate and Payments from the Maturity Date in the event of extension of maturity of a Series of Notes**

**4F.01** If “Extended Maturity” is specified as applicable in the applicable Final Terms and the maturity of the Notes is extended beyond the Maturity Date in accordance with Condition 5.18, the Notes shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Notes are redeemed in full or the Extended Maturity Date, subject to Condition 4G. In that event, interest shall be payable on those Notes at the rate determined in accordance with Condition 4F.02) on the nominal amount outstanding of the Notes in arrear on (i) the Interest Payment Date in each month after the Maturity Date, or (ii) the Extended Maturity Date, as applicable, in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date or the Extended Maturity Date, respectively. The final Interest Payment Date shall fall no later than the Extended Maturity Date.

**4F.02** If “Extended Maturity” is specified as applicable in the applicable Final Terms and the maturity of the Notes is extended beyond the Maturity Date in accordance with Condition 5.18, the rate of interest payable from time to time in respect of the nominal amount outstanding of the Notes on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date or the Extended Maturity Date, as applicable, will be as specified in the applicable Final Terms and, in the case of Floating Rate Notes, determined by the Fiscal Agent or the Calculation Agent, as applicable, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms.

**4F.03** In the case of Notes which are Zero Coupon Notes up to (and including) the Maturity Date and for which an Extended Maturity Date is specified in the applicable Final Terms, for the purposes of this Condition 4F, the nominal amount outstanding shall be the total amount otherwise payable by the Bank on the Maturity Date less any payments made by the Bank in respect of such amount in accordance with these Terms and Conditions.

**4F.04** This Condition 4F shall only apply to Notes to which an Extended Maturity Date is specified in the applicable Final Terms and if the Bank fails to redeem those Notes (in full) on the Maturity Date (or within two Business Days thereafter) and the maturity of those Notes is automatically extended up to the Extended Maturity Date in accordance with Condition 5.18.

#### **4G. Interest – Continued Accrual**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent or the Calculation Agent, as applicable, and notice to that effect has been given to the Noteholders in accordance with Condition 13.

### **5. Redemption and Purchase**

#### *Redemption at Maturity*

**5.01** Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed by the Bank at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date (or, if applicable, the Extended Maturity Date).

#### *Early Redemption upon a Tax Event*

**5.02** Upon the occurrence of a Tax Event, the Bank may, upon the expiry of the appropriate notice, redeem all (but not some only) of the Notes in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note). Each Note so redeemed will be redeemed

at the Early Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In these Terms and Conditions, **Tax Event**, means if as a result of any change in, amendment to or clarification of any applicable law (including any change in, amendment to or clarification of the official position or interpretation of such law that differs from the theretofore generally accepted position or interpretation, irrespective of the manner in which such amendment, clarification or change is made known), which change, amendment or clarification occurs after the Issue Date, the Bank determines that (a) it would on the occasion of the next payment in respect of the Notes, be required to pay additional amounts in accordance with Condition 7 or (b) to the extent (prior to the relevant change, amendment or clarification) the Issuer was entitled to claim a deduction in respect of the Notes in computing its taxation liabilities, it would not be entitled to claim a deduction in respect of its taxation liabilities in the Kingdom of Sweden in respect of any payment of interest to be made on the next Interest Payment Date or the value of such deduction to the Bank would be materially reduced.

#### *Optional Early Redemption (Issuer Call)*

**5.03** If Issuer Call is specified as applicable in the applicable Final Terms, then the Bank may, upon the expiry of the appropriate notice, redeem all (but not, unless and to the extent that the applicable Final Terms specifies otherwise, some only), of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

#### *Redemption at the Option of the Issuer (Issuer Maturity Call)*

**5.04** If Issuer Maturity Call is specified as applicable in the applicable Final Terms, then the Bank may, upon the expiry of the appropriate notice, redeem all (but not some only) of the Notes then outstanding at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the date of redemption.

#### *Notice*

**5.05** The appropriate notice referred to in Conditions 5.02, 5.03, 5.04 and 5.05 is a notice given by the Bank to the Fiscal Agent, the Registrar (in the case of Registered Notes) and the Holders of the Notes and the relative Coupons (if any) in accordance with Condition 13, which notice shall be signed by two duly authorised officers of the Bank and shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate nominal amount of the Notes which are to be redeemed; and
- (iii) the date fixed for such redemption, which shall be a Business Day which is not more than 60 days and not less than 30 days (or such minimum or maximum periods of notice as may be specified in the applicable Final Terms) after the date on which such notice is validly given and which is (in the case of Floating Rate Notes, other than in respect of an Issuer Maturity Call) an Interest Payment Date.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Bank to make the redemption therein specified.

#### *Partial Redemption*

**5.06** If the Notes are to be redeemed in part only on any date in accordance with Condition 5.04:

- (i) such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount;
- (ii) in the case of definitive Notes, the Notes to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange, listing authority and/or quotation system on which the Notes may be listed, traded and/or quoted; and

- (iii) in the case of Notes represented by one or more Global Notes, the Notes shall be redeemed in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC.

#### *Optional Early Redemption (Investor Put)*

**5.07** If the Notes are Senior Preferred Notes (other than Senior Preferred MREL Eligible Notes) and Investor Put is specified as applicable in the applicable Final Terms, then upon the holder of any such Note giving to the Bank in accordance with Condition 13 not less than 15 nor more than 30 days' notice the Bank will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 5.07 in any multiple of their lowest Specified Denomination.

If a Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of such Note the Holder of such Note must deliver the Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the Holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 5.07 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2 and the Put Notice must be accompanied by the relevant Note or evidence satisfactory to the Paying Agent concerned (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) that such Note will, following delivery of the Put Notice, be held to its order or under its control. If such Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of such Note the Holder of the Note, must within the notice period, give notice to the Paying Agent (in the case of Bearer Notes) and the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Paying Agent or, as the case may be, the Registrar, by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice given by a Holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such Holder, at its option, may elect by notice to the Bank to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 6.

#### *Early Redemption Amounts*

**5.08** For the purpose of Condition 5.02 above and Condition 6:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount specified in the applicable Final Terms; and
- (b) each Zero Coupon Note will be redeemed, at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days

(calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

#### *Instalments*

**5.09** Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5.09.

#### *Purchase of Notes*

**5.10** The Bank may at any time purchase Notes in the open market or otherwise and at any price provided that all (if any) unmaturred Receipts, Coupons and Talons appertaining thereto are purchased therewith.

#### *Cancellation of Redeemed and Purchased Notes*

**5.11** All unmaturred Notes redeemed or purchased in accordance with this Condition 5 and all unmaturred Receipts, Coupons and Talons attached thereto or surrendered or purchased therewith will be cancelled and may not be reissued or resold. References in this Condition 5 to the purchase of Notes by the Bank shall not include the purchase of Notes in the ordinary course of business of dealing in securities or the purchase of Notes otherwise than as beneficial owner.

#### *Late payment on Zero Coupon Notes*

**5.12** If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5.01, 5.02, 5.04 or 5.08 above or upon its becoming due and repayable as provided in Condition 6 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5.09(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

#### *Redemption upon a Capital Event: Tier 2 Subordinated Notes*

**5.13** If the Notes are Tier 2 Subordinated Notes, then upon the occurrence of a Capital Event, the Bank may, at its option, having given not less than 30 days' nor more than 60 days' notice to the Fiscal Agent, the Registrar (in the case of Registered Notes) and the Holders of the Subordinated Notes and the relative Coupons (if any) in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for such redemption), at any time redeem all (but not some only) of the Tier 2 Subordinated Notes then outstanding at the Early Redemption Amount specified in the applicable Final Terms, together with interest accrued to (but excluding) the date of redemption.

In these Terms and Conditions, a **Capital Event** means the determination by the Bank after consultation with the SFSA that as a result of a change (or any pending change that the SFSA considers sufficiently certain) in Swedish law or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date, the aggregate outstanding nominal amount of the Subordinated Notes is (or is likely to be) fully or partially excluded from inclusion in the Tier 2 capital of the Bank.

### *Redemption upon an Eligible Liabilities Event: Senior Non-Preferred Notes*

**5.14** If the Notes are Senior Non-Preferred Notes, then upon the occurrence of an Eligible Liabilities Event, the Bank may, at its option, having given not less than 30 days' nor more than 60 days' notice to the Fiscal Agent, the Registrar (in the case of Registered Notes) and the Holders of the Notes and the relative Coupons (if any) in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for such redemption), at any time redeem all (but not some only) of the Notes then outstanding at the Early Redemption Amount specified in the applicable Final Terms, together with interest accrued to (but excluding) the date of redemption.

In these Terms and Conditions:

An **Eligible Liabilities Event** means the determination by the Bank after consultation with the Resolution Authority that as a result of a change (or any pending change that the Resolution Authority considers sufficiently certain) in Swedish law or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date, the aggregate outstanding nominal amount of the Senior Non-Preferred Notes is (or is likely to be) fully or partially excluded from eligibility for inclusion in any amount of eligible liabilities of the Bank (the **Eligible Liabilities Amount**) for the purposes of Article 45 of the BRRD or Applicable Banking Regulations, provided that an Eligible Liabilities Event shall not occur where such ineligibility for the inclusion of such Notes in the Eligible Liabilities Amount is due to the remaining maturity of those Notes being less than any period prescribed by any applicable eligibility criteria under Applicable Banking Regulations; and

**Resolution Authority** means the Swedish National Debt Office or such other or successor authority designated in Sweden in accordance with Article 3 of the BRRD or Applicable Banking Regulations (or, if the Bank becomes subject to resolution pursuant to the BRRD in a jurisdiction other than Sweden, in such other jurisdiction).

### *Relevant Regulator approval*

**5.15** Any early redemption or purchase pursuant to this Condition 5 of Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes is subject to the prior approval of the SFSA or the Resolution Authority (where such prior approval is required pursuant to Applicable Banking Regulations), where such prior approval is required pursuant to Applicable Banking Regulations.

### *Substitution or Variation*

**5.16** If the Notes are Tier 2 Subordinated Notes or Senior Non-Preferred Notes and, at any time (i) a Tax Event or (ii)(a) in the case of Tier 2 Subordinated Notes, a Capital Event or (b) in the case of Senior Non-Preferred Notes, an Eligible Liabilities Event, occurs, or to ensure the effectiveness or enforceability of Condition 16.03, the Bank may, to the extent permitted at any time by Applicable Banking Regulations and subject to the prior approval of the SFSA, in the case of Tier 2 Subordinated Notes, or the Resolution Authority, in the case of Senior Non-Preferred Notes (without in each case any requirement for the consent or approval of the Holders of the Notes) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 13, the Holders of the Notes (which notice shall be irrevocable), at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Notes.

In these Terms and Conditions:

**Qualifying Notes** means notes issued directly or indirectly by the Bank that:

- (i) have terms not materially less favourable to a Holder of the Notes (unless any such less favourable terms are solely attributable to ensuring the effectiveness and enforceability of Condition 16.03 (including the governing law of Condition 16.03)), as reasonably determined by the Bank, than the terms of the Notes, provided that they shall (1) include a ranking at least equal to that of the Notes, (2) have the same Rate of Interest and Interest Payment Dates as those from time to time applying to the Notes, (3) have the same redemption rights as the Notes, (4) comply with the then current requirements of Applicable Banking Regulations in relation to eligibility for inclusion in the Tier 2 capital of the Bank, in the case of Tier 2 Subordinated Notes, and the Eligible Liabilities Amount, in the case of Senior Non-Preferred Notes, and (5) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the

period from (and including) the Interest Payment Date last preceding the date of substitution or variation; and

- (ii) are listed on a recognised stock exchange if the Notes were so listed immediately prior to such substitution or variation.

#### *Extension of Maturity up to Extended Maturity Date*

**5.17** An Extended Maturity Date may be specified in the applicable Final Terms as applying to a Series of Notes.

If “Extended Maturity” is specified as applicable in the applicable Final Terms and the Bank fails to redeem all of the Notes in full on the Maturity Date or within two Business Days thereafter, the maturity of the Notes and the date on which the Notes will be due and repayable for the purposes of these Terms and Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise provided in the applicable Final Terms. In that event, the Bank may redeem all or any part of the nominal amount outstanding of the Notes on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided in the applicable Final Terms.

The Bank shall give notice to the Noteholders (in accordance with Condition 13) and the Paying Agents of (a) any decision to so extend the maturity of the Notes, in whole or in part, as soon as practicable after any such decision is made and (b) its intention to redeem all or any of the nominal amount outstanding of the Notes in full at least three Business Days, in the case of notice to the Noteholders and five Business Days, in the case of notice to the Paying Agents, prior to (i) the Maturity Date, where practicable for the Bank to do so and otherwise as soon as practicable after the relevant decision to redeem the Notes (if any) is made or, as applicable (ii) the relevant Interest Payment Date or, as applicable (iii) the Extended Maturity Date.

Any failure by the Bank to so notify such persons shall not affect the validity or effectiveness of any such extension of the maturity of the Notes or, as applicable, redemption by the Bank on the Maturity Date or, as applicable, the relevant Interest Payment Date or, as applicable, the Extended Maturity Date or give rise to any such person having any rights in respect of any such redemption but such failure may result in a delay in payment being received by a Noteholder through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be (including on the Maturity Date where at least three Business Days' notice of such redemption is not given to the Noteholders (in accordance with Condition 13) and the Paying Agents) and Noteholders shall not be entitled to further interest or any other payment in respect of such delay. Accordingly, as soon as practicable after receipt of any such notice, the Fiscal Agent will notify Euroclear and/or Clearstream, Luxembourg, as the case may be, of the Bank's intention to redeem the Notes in whole, redeem the Notes in part or extend the Maturity Date (and in any event by no later than three Business Days prior to the relevant date for redemption of the Notes wherever practicable for it to do so).

In the case of Notes which are Zero Coupon Notes up to (and including) the Maturity Date and for which an Extended Maturity Date is specified in the applicable Final Terms, for the purposes of this Condition 5.17, the nominal amount outstanding shall be the total amount otherwise payable by the Bank on the Maturity Date less any payments made by the Bank in respect of such amount in accordance with these Terms and Conditions.

Any extension of the maturity of the Notes under this Condition 5.17 shall be irrevocable. Where this Condition 5.17 applies, any failure to redeem the Notes on the Maturity Date or any extension of the maturity of the Notes under this Condition 5.17 shall not constitute an event of default for any purpose or give any Noteholder any right to receive any payment of interest, principal or otherwise on the relevant Notes other than as expressly set out in these Terms and Conditions.

In the event of the extension of the maturity of the Notes under this Condition 5.17, interest rates, interest periods and interest payment dates on the Notes from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and Condition 4F.

If the Bank redeems part and not all of the principal amount outstanding of the Notes on an Interest Payment Date falling in any month after the Maturity Date, the redemption proceeds shall be applied rateably across the Notes and the nominal amount outstanding on the Notes shall be reduced by the level of that redemption.

If the maturity of the Notes is extended up to the Extended Maturity Date in accordance with this Condition 5.17, subject as otherwise provided in the applicable Final Terms, for so long as any of the Notes remains

outstanding, the Bank shall not issue any further Notes, unless the proceeds of issue of such further Notes are applied by the Bank on issue in redeeming in whole or in part the relevant Notes the maturity of which has been extended in accordance with this Condition 5.17.

This Condition 5.17 shall only apply to Notes for which “Extended Maturity” is specified as applicable in the applicable Final Terms and if the Bank fails to redeem those Notes in full on the Maturity Date (or within two Business Days thereafter).

## **6. Events of Default**

### **6A. Events of Default – Senior Preferred Notes, other than Senior Preferred MREL Eligible Notes**

**6A.01** This Condition 6A is applicable in relation to Notes specified in the applicable Final Terms as being Senior Preferred Notes, other than Senior Preferred MREL Eligible Notes. The following events or circumstances (each an **Event of Default**) shall be events of default in relation to the Notes, namely:

- (i) the Bank shall default in the payment of principal or any other redemption amount in respect of any Note for a period of seven days or of any interest in respect of any Note for a period of 30 days, in each case when and as the same ought to be paid; or
- (ii) a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Bank or all or substantially all of its property, or for the winding up of or liquidation of its affairs, and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days; or
- (iii) the Bank shall file a petition to take advantage of any insolvency statute or shall voluntarily suspend payment of its obligations; or
- (iv) default shall be made by the Bank in the performance or observance of any obligation, condition or provision binding on it under the Notes and, except where such default is not capable of remedy (in which case no such notice or continuation as is hereinafter referred to will be required), such default shall continue for 30 days after written notice thereof has been given by the holder of any Note to the Bank requiring the same to be remedied.

**6A.02** If any Event of Default shall occur and be continuing in relation to any Notes, then the Holder thereof shall be entitled to give notice to the Bank that such Note is immediately redeemable, whereupon the Bank shall immediately redeem such Note at its Early Redemption Amount together with accrued interest (if any) to (but excluding) the date of repayment.

### **6B. Events of Default – Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes and Subordinated Notes**

**6B.01** This Condition 6B is applicable in relation to Notes specified in the applicable Final Terms as being Senior Preferred MREL Eligible Notes, Senior Non-Preferred Notes or Subordinated Notes. The following events or circumstances (each an **Event of Default**) shall be events of default in relation to the Notes, namely if:

- (i) the Bank shall default in the payment of principal in respect of any Note for a period of seven days or interest in respect of any Note for a period of 30 days, in each case when and as the same has become due and payable in accordance with its terms; or
- (ii) an order is made or an effective resolution is passed for the winding up or liquidation of the Bank (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Bank under the Notes) or the Bank is otherwise declared bankrupt (*konkurs*) or put into liquidation (*likvidation*), in each case by a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same.

**6B.02** If any Event of Default shall occur and be continuing in relation to any Notes, then the Holder thereof shall be entitled to:

- (a) (in the case of 6B.01(i) above) institute proceedings for the Bank to be declared bankrupt (*konkurs*) or its winding-up or liquidation (*likvidation*), in each case in the Kingdom of Sweden and not elsewhere, and prove or claim in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank; and/or
- (b) (in the case of 6B.01(ii) above), by notice to the Bank, declare such Note to be due and payable, and such Note shall accordingly become due and payable at its principal amount together with accrued interest to the date of payment, and such Holder may prove or claim for such payment in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank, whether in the Kingdom of Sweden or elsewhere and instituted by the Bank itself or by a third party,

but (in either case) the Holder of such Note may claim payment in respect of the Note only in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank.

#### **6C. Events of Default – Notes**

Neither a reduction or cancellation, in part or in full, of the principal or any other redemption amount of, or any interest on, the Notes or any other outstanding amounts due under or in respect of the Notes, the conversion thereof into another security or obligation of the Bank or another person, as a result of the exercise of any bail-in and loss absorption power by the Resolution Authority with respect to the Bank, nor the exercise of any bail-in and loss absorption power by the Resolution Authority with respect to the Notes will be an Event of Default or constitute the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the Bank to be declared bankrupt (*konkurs*) or for the liquidation (*likvidation*), winding-up or dissolution of the Bank.

For the purposes of these Terms and Conditions, the **bail-in and loss absorption power** means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Sweden relating to the transposition of the BRRD, including but not limited to the Swedish Banking and Financing Business Act (*Sw: Lagen (2004:297) om bank- och finansieringsrörelse*) and the Swedish Law on Resolution (*Sw: Lagen (2015:1016) om resolution*), as amended from time to time, and the instruments, rules and standards created thereunder.

#### **6D. Covered Bonds – no Events of Default**

None of the provisions of this Condition 6 shall apply to any Series of Notes specified in the applicable Final Terms as being Covered Bonds.

### **7. Taxation**

**7.01** All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law.

In that event, (A) in relation to any Series of Notes specified in the applicable Final Terms as being Covered Bonds, such withholding or deduction will be made by the Bank without payment of any additional amounts and, (B) in relation to all other Series of Notes, the Bank will, in respect of payments of interest only (in the case of any Series of Tier 2 Subordinated Notes or Senior Non-Preferred Notes) and principal, interest or otherwise (in the case of all such other Series of Notes other than any Series of Tier 2 Subordinated Notes or Senior Non-Preferred Notes), pay such additional amounts as may be necessary in order that the net amounts receivable by the Holders after such withholding or deduction shall equal the respective amounts which would have been receivable in the absence of such withholding or deduction, except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon:

- (i) the Holder of which is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of such Note, Receipt or Coupon; or
- (ii) presented for payment (where presentation is required) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days.



Notwithstanding any other provision of these Terms and Conditions, in no event will the Bank be required to pay any additional amounts in respect of the Notes, Receipts and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

**7.02** For the purposes of these Terms and Conditions, the **Relevant Date** means the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the Notes in accordance with Condition 13.

**7.03** Any reference in these Terms and Conditions to principal and/or interest in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under this Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts; and
- (vi) any premium and any other amounts which may be payable by the Bank under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under this Condition 7.

## **8. Payments**

### **8A. Payment – Bearer Notes**

**8A.01** This Condition 8A is applicable in relation to Notes specified in the applicable Final Terms as being in bearer form.

**8A.02** Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

**8A.03** Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 8A.02 only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the **United States** (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 8A.02 above only

against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 8A.02 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Bank. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Reset Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

**8A.04** Payments of principal and interest (if any) in respect of Notes represented by a Bearer Global Note will (subject as provided below) be made in the manner specified in Condition 8A.02 and 8A.03 in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Bearer Global Note, where applicable against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Bearer Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

**8A.05** Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Bank has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

- (iii) such payment is then permitted under United States law without involving, in the opinion of the Bank, adverse tax consequences to the Bank.

## **8B. Payments – Registered Notes**

**8B.01** This Condition 8B is applicable in relation to Notes specified in the applicable Final Terms as being in registered form.

**8B.02** Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar. Such payments will be made by transfer to the Designated Account (as defined below) of the Holder (or the first named of joint Holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the **business day** (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a Holder does not have a Designated Account or (ii) the nominal amount of the Notes held by a Holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a Holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located on the relevant due date to the Holder (or the first named of joint Holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the Holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the Holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such Holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Fiscal Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in the Notes has elected to receive any part of such payment in that Specified Currency, in the manner specified in the Fiscal Agency Agreement in accordance with the rules and procedures for the time being of DTC.

None of the Bank, the Registrar or the Paying Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

## **8C. Payments – General Provisions**

**8C.01** Save as otherwise specified herein, this Condition 8C is applicable in relation to Notes whether in bearer form or in registered form.

**8C.02** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

**8C.03** Subject as provided in the Deed of Covenant, the holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Bank will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Bank to, or to the order of, the holder of such Global Note.

**8C.04** If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the Holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
  - (a) in the case of Notes in definitive form only, in the relevant place of presentation; and
  - (b) in any Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (ii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open;
- (iii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (iv) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has not elected to receive any part of such payment in a Specified Currency other than U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

## **8D. RMB Currency Event**

**8D.01** If “RMB Currency Event” is specified as applicable in the applicable Final Terms and a RMB Currency Event, as determined by the Bank acting in good faith, exists on a date for payment of any amount in respect of any Note, Receipt or Coupon, the Bank’s obligation to make a payment in RMB under the terms of the Notes may be replaced by an obligation to pay such amount in U.S. dollars converted using the Spot Rate for the relevant Rate Calculation Date.

**8D.02** Upon the occurrence of a RMB Currency Event, the Bank shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

**8D.03** For the purpose of this Condition and unless stated otherwise in the applicable Final Terms:

**Governmental Authority** means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

**Rate Calculation Business Day** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London, Stockholm and New York City;

**Rate Calculation Date** means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the Notes;

**Renminbi** and **RMB** means the lawful currency of the People's Republic of China (the **PRC**), which (for the purposes of these Terms and Conditions) excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administration Region of the PRC and Taiwan;

**RMB Currency Events** means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

**RMB Illiquidity** means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Bank cannot obtain sufficient RMB in order to make a payment under the Notes, as determined by the Bank in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in Hong Kong;

**RMB Inconvertibility** means the occurrence of any event that makes it impossible for the Bank to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Bank to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Bank, due to an event beyond its control, to comply with such law, rule or regulation);

**RMB Non-Transferability** means the occurrence of any event that makes it impossible for the Bank to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Bank to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Bank, due to an event beyond its control, to comply with such law, rule or regulation); and

**Spot Rate** means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S. dollar exchange rate in the PRC domestic foreign exchange market.

## **8E. RMB account**

All payments in respect of any Note, Receipt or Coupon in Renminbi will be made solely by credit to a Renminbi account maintained by the payee at a bank in Hong Kong or such other financial centre(s) as may be specified in the applicable Final Terms as RMB Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong or any relevant RMB Settlement Centre(s)).

## **9. Prescription**

**9.01** Bearer Notes, Receipts and Coupons will become void unless presented for payment within ten years (or, in the case of Coupons, five years) after the due date for payment.

**9.02** Claims against the Bank in respect of Registered Notes will be prescribed unless made within ten years (or, in the case of claims in respect of interest, five years) after the due date for payment.

**9.03** There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 8A.03 or any Talon which would be void pursuant to Condition 8A.03.

## **10. The Paying Agents and the Registrar**

The initial Paying Agents and Registrar are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. The Bank reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar and to appoint additional or other Paying Agents or another Registrar provided that it will at all times maintain (i) a Fiscal Agent, (ii) a Registrar and (iii) so long as any Notes are listed on any stock exchange, a Paying Agent with a specified office in such place as may be required by the rules and regulations of such stock exchange and any other relevant authority. The Paying Agents and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents or the Registrar will be notified promptly to the Holders.

In addition, the Bank shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 8A.05. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Bank in accordance with Condition 13.

In acting under the Fiscal Agency Agreement, the Registrar and the Paying Agents act solely as agents of the Bank and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Fiscal Agency Agreement contains provisions permitting any entity into which the Registrar or any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## **11. Replacement of Notes**

If any Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons and Talons) or of the Registrar (in the case of Registered Notes), subject to all applicable laws and the requirements of any stock exchange, listing authority and/or quotation system on which the relevant Notes are listed, traded and/or quoted upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Bank and the Fiscal Agent or, as the case may be, the Registrar may require. Mutilated or defaced Notes, Receipts, Coupons and Talons must be surrendered before replacements will be delivered therefor.

## **12. Meetings of Holders and Modification**

The Fiscal Agency Agreement contains provisions, which are binding on the Bank and the Holders of Notes, Receipts and Coupons, for convening meetings of the Holders of the Notes to consider matters affecting their interests, including the modification or waiver of the Terms and Conditions applicable to the Notes.

The Fiscal Agent and the Bank may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification of the Notes, the Receipts, the Coupons or the Fiscal Agency Agreement which is not prejudicial, as to be determined by the Bank, to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Fiscal Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

## **13. Notices**

### *To Holders of Bearer Notes*

**13.01** Notices to Holders of Bearer Notes will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or if such

publication is not practicable, if published in a leading English-language newspaper having general circulation in Europe or in the United Kingdom or, in the case of a Bearer Global Note, if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein and otherwise if given in compliance with the requirements of each stock exchange, listing authority and/or quotation system on which the Notes are listed, admitted to trading and/or quoted. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the day after the date of such delivery.

#### *To Holders of Registered Notes*

**13.02** Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail to them (or, in the case of joint Holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth day after the date of such mailing.

#### *To the Bank*

**13.03** Notices to the Bank will be deemed to be validly given if delivered at Kungsträdgårdsgatan 8, SE-106 40 Stockholm and clearly marked on their exterior “Urgent – Attention: Group Treasury” (or at such other address and for such other attention as may have been notified to the Holders of the Notes in accordance with this Condition 13) and will be deemed to have been validly given at the opening of business on the next day on which the Bank’s principal office is open for business.

### **14. Further Issues**

The Bank may from time to time without the consent of the Holders create and issue further notes, bonds or debentures having the same terms and conditions as the Notes in all respects (or in all respects except for the amount and date of the first payment of interest on them and the date from which interest starts to accrue) so as to form a single series with the outstanding Notes.

### **15. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

### **16. Governing Law and Jurisdiction; Bail-in and Loss Absorption Power**

**16.01** The Notes, the Fiscal Agency Agreement, the Deed of Covenant, the Deed Poll and any non-contractual obligations arising out of or in respect of the Notes and the Fiscal Agency Agreement are governed by, and shall be construed in accordance with, English law, except with respect to Conditions 3A, 3B and 3D, which are all governed by, and shall be construed in accordance with, the laws of the Kingdom of Sweden. Any non-contractual obligations arising out of or in respect of Conditions 3A, 3B and 3D are governed by, and shall be construed in accordance with, the laws of the Kingdom of Sweden.

**16.02** The Bank irrevocably agrees for the benefit of the Holders of the Notes that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes (respectively, **Proceedings** and **Disputes**), which may arise out of or in connection with the Notes (including any Proceedings or Disputes relating to any non-contractual obligations arising out of or in connection with the Notes) and, for such purposes, irrevocably submits to the jurisdiction of such courts. The Bank irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum. The Bank agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to it at its London branch at One Carter Lane, London EC4V 5AN. In the event of the Bank’s London branch ceasing so to act or ceasing to be registered in England, it shall forthwith appoint a person in England to accept service of process on its behalf in England and notify the name and address of such person to the Holders in accordance with Condition 13. Nothing contained herein shall affect the right to serve process in any other manner permitted by law. The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Holders or any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

### ***Bail-in and Loss Absorption Power – Notes***

**16.03** Notwithstanding any other term of the Notes or any other agreements, arrangements, or understandings between the Bank and any Holder, by its acquisition of the Notes, each Holder (which, for these purposes, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees to be bound by: (a) the effect of the exercise of any bail-in and loss absorption power by the Resolution Authority, that may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount of, or any interest on, the Notes or any other outstanding amounts due under or in respect of the Notes; (ii) the conversion of all, or a portion, of the principal amount of, or any interest on, the Notes or any other outstanding amounts due under or in respect of the Notes into shares, other securities or other obligations of the Bank or another person (and the issue to or conferral on the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes; (iii) the cancellation of the Notes; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and (b) the variation of the terms of the Notes, if necessary, to give effect to the exercise of any bail-in and loss absorption power by the Resolution Authority.

By its acquisition of the Notes, each Holder (including, for these purposes, each holder of a beneficial interest in the Notes): (a) acknowledges, accepts, consents and agrees to be bound by the exercise of any bail-in and loss absorption power as it may be exercised without any prior notice by the Resolution Authority of its decision to exercise such power with respect to such Notes and (b) shall be deemed to have authorised, directed and requested Euroclear, Clearstream, Luxembourg, DTC, any accountholder in Euroclear or Clearstream, Luxembourg and any direct participant in DTC or other intermediary through which it holds such Notes to take any and all necessary action, if required, to implement the exercise of any bail-in and loss absorption power with respect to such Notes as it may be exercised, without any further action or direction on the part of such Holder, the Fiscal Agent, any Paying Agent or the Registrar.

**16.04** Upon the exercise of any bail-in and loss absorption power by the Resolution Authority with respect to the Notes, the Bank will provide a written notice to the Holders in accordance with Condition 13 as soon as practicable regarding such exercise of the bail-in and loss absorption power for the purpose of notifying Holders of such occurrence. The Bank will also deliver a copy of such notice to the Fiscal Agent, the Registrar and the Paying Agents for information purposes.

### **17. Third Parties**

No person shall have any right to enforce any term or condition of any Notes 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.



## **USE OF PROCEEDS**

The proceeds of the issue of each Series of Notes will be used by the Bank for general corporate purposes, which include making a profit, unless otherwise specified in the applicable Final Terms.

## PRO FORMA FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

### EITHER:

**[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, **MiFID II**)/MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*<sup>2</sup>. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

### OR:

**[MiFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, **MiFID II**)/MiFID II]; **EITHER** <sup>3</sup>[and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** <sup>4</sup>[(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. *[Consider any negative target market]*<sup>5</sup>. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the

<sup>1</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>2</sup> If a negative target market is deemed necessary, wording along the following lines could be included: “*The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested].*”

<sup>3</sup> Include for Notes that are not ESMA complex.

<sup>4</sup> Include for certain ESMA complex Notes. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute “complex” products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

<sup>5</sup> If a negative target market is deemed necessary, wording along the following lines could be included: “*The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested].*”

manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]<sup>6</sup>.]]

**[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (as amended) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the **MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]<sup>7</sup>

*Set out below is the pro forma Final Terms which will be completed for each Tranche of Notes issued under the Programme (1) with a denomination equal to or higher than €100,000 (or its equivalent in another currency) and/or (2) are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) have access.*<sup>8</sup>

[Date]

**SKANDINAVISKA ENSKILDA BANKEN AB (publ)**

**Issuer Legal Entity Identifier (LEI): F3JS33DEI6XQ4ZBPTN86**

**Issue of [Aggregate Nominal Amount of Tranche][Title of Notes] under the  
Global Programme for the Continuous Issuance of Medium Term Notes and Covered Bonds**

[The Notes will only be admitted to trading on [insert name of relevant *QI* market/segment], which is [an EEA regulated market/a specific segment of an EEA regulated market] (and, for these purposes, reference to the EEA includes the [United Kingdom (the **UK**)]<sup>9</sup>) (as defined in MiFID II), to which only qualified investors (as defined in the Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.]<sup>9</sup>

## **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 26th June, 2020 [refer also to any relevant supplements] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Information Memorandum**). This document constitutes the Final Terms of the securities described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Information Memorandum to obtain all the relevant information.

The Information Memorandum is available for viewing on the Issuer's website at: <https://sebgroupp.com/investor-relations/debt-investors/debt-programmes>. In addition, if the Notes are to be admitted to trading on the regulated market of Euronext Dublin, copies of the Final Terms will be published on the website of the Issuer at: <https://sebgroupp.com/investor-relations/debt-investors/debt-transactions>.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Information Memorandum with an earlier date.*

<sup>6</sup> If the Notes constitute “complex” products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II. If there are advised sales, a determination of suitability will be necessary.

<sup>7</sup> Legend to be included on front of the Final Terms if the Notes sold into Singapore do not constitute prescribed capital markets products as defined under the CMP Regulations 2018 and Excluded Investment Products.

<sup>8</sup> Where the Note is (i) not the subject of a public offer which requires the publication of a prospectus under the Prospectus Regulation and (ii) not listed on the Official List of Euronext Dublin and not admitted to trading on the regulated market of Euronext Dublin or on any other regulated market in the European Economic Area and in the UK, all references to the Prospectus Regulation and final terms for the purposes of the Prospectus Regulation, shall be deleted.

<sup>9</sup> Legend to be included for Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) which will only be admitted to trading on a regulated market, or a specific segment of a regulated market, to which only qualified investors can have access.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Information Memorandum dated [*original date*][and the supplement to it dated [*date*]] which are incorporated by reference in the Information Memorandum dated 26th June, 2020. This document constitutes the Final Terms of the securities described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Information Memorandum dated 26th June, 2020 [*refer also to any relevant supplements*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Information Memorandum**) including the Conditions incorporated by reference in the Information Memorandum to obtain all relevant information.

The Information Memorandum is available for viewing on the Issuer's website at: <https://sebgroupp.com/investor-relations/debt-investors/debt-programmes>. In addition, if the Notes are to be admitted to trading on the regulated market of Euronext Dublin, copies of the Final Terms will be published on the website of the Issuer at: <https://sebgroupp.com/investor-relations/debt-investors/debt-transactions>.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

1. **Issuer:** Skandinaviska Enskilda Banken AB (publ)
2. (i) **Series Number:** [ ]  
(ii) **Tranche Number:** [ ]  
(iii) **Date on which the Notes will be consolidated and form a single Series:** [Not Applicable]/[The Notes will be consolidated and form a single series with [*identify earlier Tranche(s)*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [*date*].]
3. **Specified Currency or Currencies:** [ ]
4. **Aggregate Nominal Amount:**  
(i) **Series:** [ ]  
(ii) **Tranche:** [ ]
5. **Issue Price of Tranche:** [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*]] (if applicable).
6. (i) **Specified Denominations:** [ ]  
(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made) (*(NB: Notes must have a minimum denomination of €100,000 (or equivalent)) unless they are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors have access)*  
  
*(Note – where multiple denominations above [€100,000] or equivalents are being used the following sample wording should be followed:*  
  
*“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)*

- (ii) Calculation Amount (in relation to calculation of interest in global form see Conditions): [ ]
- (Applicable to Notes in definitive form) (If there is only one Specified Denomination, insert that Specified Denomination. If there is more than one Specified Denomination, insert the highest common factor. NB: there must be a common factor in the case of two or more Specified Denominations)
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (NB: An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes)
8. **Maturity Date:** [Specify date or for Floating rate notes – Interest Payment Date falling in or nearest to [specify month and year]]<sup>10</sup>
9. (i) Extended Maturity: [Applicable/Not Applicable]
- (ii) Extended Maturity Date: [[ ]]<sup>11</sup>
- In accordance with the Conditions, if the Bank fails to redeem the Notes in full on the Maturity Date or within two Business Days thereafter, the maturity of the nominal amount outstanding of the Notes will be extended automatically to the Extended Maturity Date without constituting an event of default or giving holders of the Notes any rights other than as expressly set out in the Conditions. In that event, the interest rate payable on, and the Interest Periods and Interest Payment Dates, in respect of the Notes, will change from those that applied up to the Maturity Date and the Bank may redeem all or part of the nominal amount outstanding of those Notes on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date, all in accordance with the Conditions. See Conditions 4D and 5.14.]
- [Not Applicable]
10. **Interest Basis:** [In respect of the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date:]
- [[ ] per cent. Fixed Rate]  
 [Fixed Reset Notes]  
 [[LIBOR/EURIBOR/Compounded [ ] per cent. Floating Rate] Daily  
 SONIA/STIBOR] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 (see paragraph [15]/[16]/[17]/[17(xiii)] below)

<sup>10</sup> For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

<sup>11</sup> This may be up to one year from the Maturity Date.

[In respect of the period from (and including) the Maturity Date to (but excluding) the Extended Maturity Date (if applicable):

[[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR/STIBOR] +/- [ ] per cent. Floating Rate]  
(see paragraph 19 below)]

**11. Redemption Basis:**

Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.

**12. Change of Interest Basis:**

[Not Applicable/specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 15 and 17 below and identify there]

**13. Put/Call Options:**

[Investor Put]  
[Issuer Call]  
[Issuer Maturity Call]  
[Not Applicable]  
[see paragraph [20]/[21]/[22]/[23]/below]  
(NB: Investor Put only applicable to Senior Preferred Notes, other than Senior Preferred MREL Eligible Notes)

**14. (i) Type of Note:**

[MTN/Covered Bond]

**(ii) Status of MTN:**

[Senior Preferred Notes (including Senior Preferred MREL Eligible Notes)/Senior Non-Preferred Notes/Senior Subordinated Notes/Tier 2 Subordinated Notes/Not Applicable]

**(iii) Status of Subordinated Notes:**

[Senior Subordinated/Tier 2 Subordinated/Not Applicable]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

**15. Fixed Rate Provisions:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

**(i) Rate(s) of Interest:**

[ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]

**(ii) Interest Payment Date(s):**

[[ ] in each year up to and including the Maturity Date]/[specify other]<sup>12</sup>

*(NB: This will need to be amended in the case of long or short coupons)*

**(iii) Fixed Coupon Amount(s) for Notes in [ ] per Calculation Amount<sup>13</sup>**

<sup>12</sup> For certain Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day."

<sup>13</sup> For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the

definitive form (and in relation to Notes in global form see Conditions):

- (iv) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): ☐ per Calculation Amount payable on the Interest Payment Date falling in/on ☐/Not Applicable]

*[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*

- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed)<sup>14</sup>]

- (vi) Determination Date(s): ☐ in each year][Not Applicable]

*[Insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.] (NB: This will need to be amended in the case of regular Interest Payment Dates which are not of equal duration.)]*

*(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*

## 16. Fixed Reset Provisions:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Initial Interest Rate: ☐ per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]

- (ii) Interest Payment Date(s): ☐ in each year up to and including the Maturity Date]

- (iii) Fixed Coupon Amount to (but excluding) the First Reset Date for Notes in definitive form (and in relation to Notes in global form see Conditions): ☐ per Calculation Amount/Not Applicable]

- (iv) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): ☐ per Calculation Amount payable on the Interest Payment Date falling [in/on] ☐][Not Applicable]

- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]

- (vi) Determination Date(s): ☐ in each year][Not Applicable]

*[Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates]*

*(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*

- (vii) Reset Date: ☐

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Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005, being rounded upwards.”

<sup>14</sup> Applicable to Renminbi denominated Fixed Rate Notes.

- (viii) Subsequent Reset Date(s): [●] [and [●]]
- (ix) Reset Margin: [+/-][●] per cent. per annum
- (x) Relevant Screen Page: [ ]
- (xi) Floating Leg Reference Rate: [ ]
- (xii) Floating Leg Screen Page: [ ]
- (xiii) Initial Mid-Swap Rate: [ ] per cent. per annum (quoted on a[n annual/semi-annual basis])

**17. Floating Rate Provisions:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest: [Fiscal Agent: [name]/other (the **Calculation Agent**)]
- (vi) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]

*(In the case of a LIBOR, EURIBOR or STIBOR based option, the first day of the Interest Period)*

*(NB: The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR, EURIBOR and/or STIBOR which, depending on market circumstances, may not be available at the relevant time)*

- (vii) Screen Rate Determination:
- Reference Rate: [ ] month [[currency] LIBOR/EURIBOR/Compounded Daily SONIA/STIBOR]
  - Interest Determination Date(s): [ ]

*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling LIBOR or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which TARGET2 is open prior to the start of each Interest Period if*



*EURIBOR or euro LIBOR, the [fifth] London Banking Day prior to the day on which the relevant Interest Period ends (but which by its definition is excluded from the Interest Period), if SONIA and Index Determination is specified as being not applicable in the applicable Final Terms, and the day falling the Relevant Number of London Banking Days prior to the day on which the relevant Interest Period ends (but which by its definition is excluded from the Interest Period), if SONIA and Index-Determination is specified as being applicable in the applicable Final Terms)*

- Relevant Number: [insert number being [five] or greater]<sup>15</sup>
  - Relevant Screen Page: [     ]  
*(In the case of EURIBOR, if not Reuters EURIBOR ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  - Observation Method: [Not Applicable/Lag/Shift]<sup>16</sup>
  - Observation      Look-Back      [[     ] London Banking Days][Not Applicable]<sup>16</sup>  
    Period:  
*(NB: A minimum of 5 London Banking Days should be specified unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable)*
  - Index Determination: [Applicable/Not Applicable]
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (ix) Margin(s): [ +/- ] [     ] per cent. per annum
- (x) Minimum Rate of Interest: [     ] per cent. per annum
- (xi) Maximum Rate of Interest: [     ] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
[30/360] [360/360] [Bond Basis]  
[30E/360] [Eurobond Basis]  
30E/360]
- (xiii) USD LIBOR Benchmark Replacement: [Applicable/Not Applicable]
- 18. Zero Coupon Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

<sup>15</sup> Only relevant for Floating Rate Notes which specify the Reference Rate as being "Compounded Daily SONIA" and for which "Index Determination" is specified as being applicable.

<sup>16</sup> Only include for Notes for which the Reference Rate is specified as being "Compounded Daily SONIA"

- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]
- 19. Extended Maturity Interest Provisions:** [Applicable from (and including) the Maturity Date to (but excluding) the Extended Maturity Date] [Not Applicable]
- (i) Fixed Rate: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [[ ] in each month up to and including the Extended Maturity Date]/[specify other]<sup>17</sup>
- (NB: This will need to be amended in the case of coupons which are not on a monthly basis)*
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount<sup>18</sup>
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount payable on the Interest Payment Date falling in/on [ ]/Not Applicable]  
*[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed)]<sup>19</sup>
- (f) Determination Date(s): [[ ] in each year][Not Applicable]
- [Insert regular interest payment dates, ignoring Extended Maturity Date in the case of a long or short last coupon.] (NB: This will need to be amended in the case of regular Interest Payment Dates which are not of equal duration.)]*
- (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*

<sup>17</sup> For certain Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: “provided that if any Interest Payment Date falls on a day which is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.”

<sup>18</sup> For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005, being rounded upwards.”

<sup>19</sup> Applicable to Renminbi denominated Fixed Rate Notes.

- (ii) Floating Rate Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest: [Fiscal Agent: [name]/other (the **Calculation Agent**)]
- (f) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (In the case of a LIBOR, EURIBOR or STIBOR based option, the first day of the Interest Period)*
- (NB: The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR, EURIBOR and/or STIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (g) Screen Rate Determination:
- Reference Rate: [ ] month [[currency] LIBOR/EURIBOR/STIBOR]
  - Interest Determination Date(s): [ ]
- (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
- Relevant Screen Page: [ ]
- (In the case of EURIBOR, if not Reuters EURIBOR/OL ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (h) Linear Interpolation: [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each*

*short or long interest period)]*

- (i) Margin(s): [ +/ - ] [ ] per cent. per annum
- (j) Minimum Rate of Interest: [ ] per cent. per annum
- (k) Maximum Rate of Interest: [ ] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
[30/360] [360/360] [Bond Basis]  
[30E/360] [Eurobond Basis]  
30E/360]

## PROVISIONS RELATING TO REDEMPTION

- 20. **Notice periods for Condition 5.06:** [Not Applicable][Minimum period: [ ] days]  
[Maximum period: [ ] days]
- 21. **Issuer Call:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
  - (i) Optional Redemption Date(s): [ ]
  - (ii) Optional Redemption Amount(s): [ ] per Calculation Amount
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [ ]
    - (b) Higher Redemption Amount: [ ]
- 22. **Issuer Maturity Call:** [Applicable/Not Applicable]
- 23. **Investor Put:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. NB: Investor Put only applicable to including Senior Preferred Notes (other than Senior Preferred MREL Eligible Notes) and Senior Non-Preferred Notes)*
  - (i) Optional Redemption Date(s): [ ]
  - (ii) Optional Redemption Amount(s): [ ] per Calculation Amount
- 24. **Final Redemption Amount:** [ ] per Calculation Amount
- 25. **Early Redemption Amount(s) payable on redemption for taxation reasons, on an event of default or upon the occurrence of a Capital Event:** [ ] per Calculation Amount  
*(NB: If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par. If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 26. Form of Notes:**
- [Bearer Notes]:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Registered Notes]:
- [Regulation S Global Note (U.S.\$[ ] nominal amount) held in [DTC/Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.\$[ ] nominal amount) held in [DTC/Euroclear and Clearstream, Luxembourg]]
- (NB: The exchange upon notice options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6(i) includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
- 27. New Global Note:** [Yes][No]
- 28. Additional Financial Centre(s):** [Not Applicable/give details]  
*(Note that this item relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which item 16(iii) relates)*
- 29. Talons for future Coupons or Receipts to be attached to definitive Bearer Notes (and dates on which such Talons mature):** [Yes. As the Notes have more than 27 coupons payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
- 30. Provisions applicable to Subordinated Notes**
- (i) Existing Subordinated Notes: [Not Applicable/Title(s) of Existing Subordinated Notes ([ISIN/CUSIP/CINS])]
- (ii) Existing Tier 1 Instruments: [Not Applicable/Title(s) of Existing Tier 1 Instruments ([ISIN/CUSIP/CINS])]
- (iii) Eligible Liabilities Event [Applicable/Not Applicable]
- 31. Details relating to Instalment Notes:**
- (i) Instalment Amount(s): [Not Applicable/give details]

(ii) Instalment Date(s): [Not Applicable/*give details*]

**32. Provisions applicable to Renminbi Notes:**

(i) RMB Currency Event: [Applicable/Not Applicable]

(ii) Party responsible for calculating the Spot Rate: [*Give name* (the **Calculation Agent**)]

(iii) RMB Settlement Centre(s) [[ ]/Not Applicable]

Signed on behalf of the Bank:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

(i) Admission to trading:

[Application has been made by the Bank (or on its behalf) for the Notes to be admitted to [the Official List of Euronext Dublin and to] trading on [the Regulated Market of Euronext Dublin] with effect from [●].]

[Application is expected to be made by the Bank (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (*for example the London/Luxembourg Stock Exchange's regulated market*) and, if relevant, listing on an official list (*for example, the Official List of the UK Financial Conduct Authority/Luxembourg Stock Exchange*)] with effect from [●].]

[Application will be made by the Bank to the Taipei Exchange in Taiwan (the **TPEx**) for the listing of the Notes on the TPEx. Application will be made for the Notes to be admitted to trading on the TPEx with effect from the Issue Date.

The TPEx is not responsible for the contents of these Final Terms or the Information Memorandum and no representation is made by the TPEx as to the accuracy or completeness of these Final Terms or the Information Memorandum. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of these Final Terms or the Information Memorandum. Admission to the listing and trading of the Notes on the TPEx shall not be taken as an indication of the merits of the Issuer or the Notes. The effective date of the listing of the Notes is on or about the Issue Date.

*(NB: a Taiwan selling restriction should be included in the Final Terms in the case of Notes listed on the TPEx)*

(ii) Estimate of total expenses relating to admission to trading: [ ]

### 2. RATINGS

[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

[Each of [defined terms] is established in the European Union and/or in the UK and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).]

[Not Applicable – No ratings have been or are expected to be assigned to the Notes to be issued at

the request of or with the co-operation of the Bank in the rating process.]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]*

*(The above disclosure should reflect the rating allocated to Notes issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Bank is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Bank and its affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]

*[NB: When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 23 of the Prospectus Regulation]*

### **4. REASONS FOR THE OFFER; ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the Offer: See ["Use of Proceeds"] in the Information Memorandum/*Give details*]

*(See “Use of Proceeds” wording in Information Memorandum – if reasons for offer different from what is disclosed in the Information Memorandum, give details.)*

(ii) Estimated net proceeds: [ ]

### **5. YIELD (Fixed Rate Notes only)** [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### **6. OPERATIONAL INFORMATION**

(i) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the ICSDs)] as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,][*include this text for Registered Notes which are to be held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “No” at the date of these Final Terms, should the Eurosystem



eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the **ICSDs**)] as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,][*include this text for Registered Notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

- (ii) ISIN: [     ]
- (iii) Common Code: [     ]
- (iv) CUSIP: [     ]
- (v) CINS: [     ]
- (vi) CFI code: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (vii) FISN: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (viii) Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): [Not Applicable/give *name(s)* and *number(s)*]
- (ix) Whether Register is held by the Principal Registrar or the Alternative Registrar: [Principal/Alternative] Registrar
- (x) Delivery: Delivery [against/free of] payment
- (xi) Names and addresses of additional Paying Agent(s) (if any): [     ]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers: [Not Applicable/give *names*]
- (iii) Stabilisation Manager (if any): [Not Applicable/give *name*]
- (iv) If non-syndicated, name and address of relevant Dealer: [Not Applicable/give *name and address*]

- (v) U.S. selling restrictions: Reg. S Category 2. [Rule 144A] [TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]
- (If the offer of Notes clearly does not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the offer of the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (vii) Relevant Benchmark: [Not Applicable]/[[specify benchmark] is provided by [administrator legal name].
- [As at the date hereof, [[administrator legal name] appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011.]
- [As at the date hereof, [[administrator legal name] does not appear in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**). [As far as the Bank is aware, as at the date hereof, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [insert legal name of administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union and the UK, recognition, endorsement or equivalence)./[[insert legal name of administrator] does not fall within the scope of the Benchmarks Regulation.]]

## 8. THIRD PARTY INFORMATION

[Relevant third party information] has been extracted from [specify source]]. The Bank confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

## SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)

### OVERVIEW

SEB is a leading Nordic financial services group. As a relationship bank strongly committed to delivering customer value, SEB offers financial advice and a wide range of financial services to corporate customers, financial institutions and private individuals in Sweden and the Baltic countries. In Norway, Denmark, Finland, Germany and the UK, SEB's operations focus on delivering a full-service offering to corporate and institutional clients and building long-term customer relationships. As of the date of this Information Memorandum, SEB serves more than four million private customers. As of 31st March, 2020, SEB had total assets of SEK 3,286 billion and total equity of SEK 157 billion. For the three months ended 31st March, 2020, SEB's net profit was SEK 2.4 billion and for the year ended 31st December, 2019, SEB's net profit was SEK 20.2 billion

With effect from 1st January, 2019, SEB reorganised its business into the following five divisions:

- *Large Corporates & Financial Institutions* – provides wholesale banking and investment banking services to large companies and institutional clients and asset management sales and investor services to institutional clients in SEB's core markets;
- *Corporate & Private Customers* – provides banking and advisory services to private individuals, smaller and mid-sized companies (**SMEs**) and also private banking services with global reach to high net worth individuals in the Nordic countries. The division provides card services in the Nordic countries;
- *Baltic* – provides retail, corporate and institutional banking services, such as trading and capital markets and transaction services, to clients in Estonia, Latvia and Lithuania. The financial results generated by structured finance and life and investment management services provided in these countries are recorded in the Large Corporates & Financial Institutions, the Life and the Investment Management & Group Functions operating segments, respectively;
- *Life* – provides all of the Group's different customer segments with pension and life insurance products; and
- *Investment Management* – manages SEB's mutual funds and tailored portfolios for institutional investors, retail and private banking clients.

Investment Management is reported in the operating segment Investment Management & Group Functions (where Group Functions consists of Group Treasury, Business Support, the German run-off operations, and Group Staff and other various small units).

As of 31st March, 2020, SEB's customer base consisted of approximately 3,100 large corporate and institutional customers, approximately 400,000 SMEs and approximately four million private individuals. At the same date, SEB had 184 retail branch offices in Sweden and the Baltic countries. Outside Sweden, SEB has a strategic presence, through its foreign subsidiaries, branches and representative offices in more than 20 countries, to support and service mainly its large corporate and institutional customers. As of 31st March, 2020, SEB had 15,034 full time equivalent employees (**FTEs**), of which about half were located outside Sweden.

Until 31st December, 2018, SEB's business was organised into four divisions with Life & Investment Management forming a single division comprising two separate business areas: life and investment management, and supporting all customers. This division provided all of the Group's different customer segments with pension and insurance products and also managed SEB's mutual funds.

### COMPETITIVE STRENGTHS

SEB believes that its franchise is built on strong long-term customer relationships, its product excellence and the quality of its advice. Its reputation stems from its long heritage of providing banking and financial services to large corporate customers, financial institutions and private individuals in the Nordic countries. Given its diversified business mix, SEB believes that it is well positioned to capture opportunities in the financial services industry in its core markets. SEB's competitive strengths include:

### **Strong and long-term customer relationships**

SEB believes that its 160-year history of providing banking and financial services, its long-standing client relationships, its customer orientation and its strong brand allow it to develop unique relationships with, and knowledge of, its customers and to attract new customers. SEB's customer focus has led to strong loyalty among its customers, as evidenced by continued high customer satisfaction rankings and awards within its core areas of strength.

### **Leading market positions in core business areas**

SEB has leading market positions in its core business areas. In 2019, 2018 and 2017 SEB was ranked as the best corporate bank for Tier 1 large corporates and large corporates overall in Sweden as well as the best financial institutions bank in Sweden. In 2018, SEB improved its ranking in the Nordics to become the second best bank for large corporates and the best bank for financial institutions compared to third and second, respectively, in 2017 according to TNS SIFO Prospera. In 2019, the rankings were affirmed by TNS SIFO Prospera. Its Large Corporates & Financial Institutions division is a leading corporate and investment bank in the Nordic region, with substantial market shares in, for example, fixed-income, foreign exchange trading and cash management. In 2019, SEB was named the "Best Business Bank of the Year" in Sweden by Finansbarometern. SEB's Corporate & Private Customers division is a leading provider of corporate charge cards and co-branded cards in the Nordic countries. In Sweden, SEB is the third largest retail bank in terms of mortgage lending, according to data from Statistics Sweden as of 31st December, 2019.

In the insurance market, SEB is a leading provider of unit-linked insurance in the Nordic region, where it was ranked first in Sweden in terms of premium income (cash paid-in under insurance policies) on existing unit-linked policies and new policies written and measured at 31st December, 2019.

SEB's share of total life insurance premiums paid (both on new and existing policies) in Sweden as of 31st December, 2019 was 7.4 per cent., according to data from the Swedish Insurance Federation and the SFSA.

SEB holds a strong market position within asset management in Sweden and is the third largest asset manager in the Nordic region as of 31st December, 2018 (based on a comparison of total SEB assets under management and assets under management reported by other banks in the Nordic region). In addition, according to The Banker, SEB was the best private bank in Sweden for the sixth consecutive year in 2018, which was the latest award from The Banker. In the Baltic countries, taken together, SEB is the second largest bank by lending market share (according to the most recently available central bank and bank association statistics in those countries). In October 2019, SEB was recognised as the best bank in all three Baltic countries by Global Finance Magazine, SEB was also awarded the 2019 Euromoney excellence award for the best bank in Latvia and Lithuania.

### **Diversified revenue base and strong focus on operational efficiency**

SEB has a diversified revenue base, including interest income on customer loans and other interest-bearing assets; fees and commissions from equity, fixed-income and foreign exchange trading; income from payment transactions; advisory and asset management service fees; and income from its life insurance operations. In addition, SEB's business is diversified across customer segments (including large and mid-size corporate and institutional customers and retail, mass affluent and private banking individuals) and geographic markets (including, among others, the Nordic and Baltic countries, Germany and the UK). Moreover, SEB continues to maintain a strong focus on improving its operational efficiency.

### **Disciplined risk management**

Comprehensive risk management is fundamental to the long-term profitability and stability of the Group and is a core area of focus for SEB. Since the Swedish banking crisis in the early 1990s, SEB has focused on enhancing its risk management systems and controls. Board supervision, a formal decision-making structure, a high level of risk awareness among staff, Group-wide principles and controlled risk-taking within established limits are the cornerstones of SEB's risk management. To secure financial stability, risk-related issues are identified, monitored and managed at early stages and form an integral part of SEB's long-term planning processes.

### **Well-diversified funding base**

SEB has a strong deposit gathering franchise in its core markets through its Corporate & Private Customers division and, in the cash-management and custody operations, through its Large Corporates & Financial Institutions division.

As of 31st March, 2020, total deposits and borrowing from the public (excluding deposits from central banks, credit institutions and repos) amounted to SEK 1,313 billion, or 54 per cent. of its total funding base, and the ratio of loans to deposits (excluding repos) was 133 per cent. SEB's funding base comprises the sum of deposits from central banks, deposits from credit institutions (excluding repos), deposits and borrowing from the public (excluding repos), debt securities and subordinated debt.

SEB benefits from a well-diversified funding base, with good access to both short and long-term financing sources. During 2017, 2018, 2019 and in the first three months of 2020, SEB raised the equivalent of SEK 80 billion, SEK 101 billion, SEK 140 billion and SEK 64 billion, respectively, in long-term funding in the domestic Swedish and international covered bond and senior unsecured debt markets. In March 2017, SEB issued U.S.\$600 million of Additional Tier 1 convertible notes and in November 2019, SEB issued U.S.\$900 million Additional Tier 1 convertible notes. Mortgage covered bonds accounted for 15 per cent. of SEB's total funding base as of 31st March, 2020.

## STRATEGY

SEB's overall strategic ambition is to be the undisputed leading Nordic corporate and institutional bank and the top universal bank in Sweden and the Baltics, maintaining a strong financial position and cost efficiency to deliver shareholder value.

In 2015, SEB formulated its vision statement for 2025 – *to deliver world-class service to its customers* – in response to rapidly changing customer behaviour, emerging new competition and significant acceleration of digitalisation within the banking industry, and embarked on a three-year plan with focus on growth and transformation (2016 to 2018).

In 2019, SEB has begun implementation of its new three-year business plan (2019 to 2021), which focuses on enabling SEB to remain relevant and competitive by accelerating operational efficiency and reinvigorating growth through the following three strategic focus areas:

- **Operational excellence** – driving speed and efficiency and enabling swift transaction execution, through the use of new technology and extended use of data in order to deliver world-class customer experience;
- **Advisory leadership** – providing value-enhancing advice through human interaction and digital solutions with the ambition to be relevant, proactive and accessible through the use of advanced analytics and new technology as a complement to human interaction; and
- **Extended presence** – widening distribution and sharpening the offering through integration of new platforms, external products and data in order to attract new customers in new markets.

SEB aims to continue to build on its core strengths while also addressing new opportunities. To accelerate the development of critical enablers and to reinvigorate growth, SEB has defined initiatives in five building blocks:

- **Critical Enablers** represent prerequisites for SEB to succeed, supporting SEB as a whole. Building on its strong focus on people, quality of risk management, compliance and code of conduct, SEB intends to become more data driven – able to build customer insights and tailored service, utilising all available customer data while also improving regulatory reporting, management reporting and risk monitoring. In order to meet customer expectations of speed and accuracy, SEB aims to increase the speed to achieve end-to-end automation, which will require adoption of a fully agile approach to, among other things, improve product development. These efforts aim to enable SEB to capture the full potential of digitalisation and usage of data, both in terms of customer value and increased efficiency.

Sustainability has become a rapidly increasing business driver, pushing the need to integrate sustainability in business models and product offerings. For more than ten years, SEB has integrated sustainability in its business and is now seeking to commercialise the strong customer demand for sustainable investments and financing solutions through sustainability research and advisory offerings, as well as offering a range of ESG (Environmental, Social and Governance) products in all customer segments.

- **Advisory** builds on SEB's strong capabilities, trust and heritage from servicing a diverse range of customers with valuable advice and aims to further differentiate SEB as the leading Nordic corporate and institutional bank, and build on SEB's strengths in Private Banking. While advice is expected to

increasingly rely on insights from advanced analytics and automated processes, personal interaction also plays a critical role in gaining the customers' trust, fully understanding their needs and providing tailored advice. SEB intends to further strengthen its advisory capabilities in high growth segments in investment banking to capture opportunities in the tech/digital transformation and the energy sector, and to export SEB's strengths in Private Banking in the Nordics.

- ***Assets Entrusted to Us*** relates to deposits, assets under management and assets under custody. This builds on the attractiveness of exposure to assets with long-term underlying price appreciation and volume growth supported by demographics, a growing need for pension savings and increasing disposable income. This area displays high profitability and low capital consumption, despite some margin erosion, and in the case of deposits, an attractive source of funding. SEB has a strong history of providing service and advice in the Investment Management area, and with its leading position in the area of sustainable investments (including microfinance and green bonds) SEB is well-positioned to meet the increasing customer demand in this area.
- ***Ecosystems*** SEB aims to move closer to customers and develop holistic offerings that cater to end-to-end customer needs, for example by looking at customer journeys in a wider sense, to include adjacent services. By being part of an ecosystem, and using collaborative business models, SEB expects to increase opportunities to provide a better and more complete customer experience, while potentially gaining access to larger profit pools with new service propositions.
- ***Digital Explorer*** (SEBx) is SEB's approach to disrupt itself, with the purpose to experiment with modern technology for the benefit of SEB's future IT infrastructure, while also exploring new business models with the ambition to create a global platform for new business concepts. This work is done in a start-up manner to start fresh in an autonomous way, with the knowledge, competence, assets and resources within SEB, but without restrictions from legacy platforms. By operating independently, at the fringe of the organisation, creativity and new radical thinking can flourish.

### **Foundation for SEB's pursuit of its strategic direction**

The banking environment remains uncertain and continues to require a strong and resilient foundation on which SEB can pursue its strategic direction. To further strengthen its resilience, SEB works diligently to have a competitive and effective cost base. From 2015 to 2018, SEB's target was to maintain its total operating costs at less than SEK 22 billion (on a restated basis for 2015). SEB's total operating costs were SEK 21.8 billion (on a restated basis) in 2015, SEK 21.8 billion in 2016, SEK 21.9 billion in 2017 and SEK 21.9 billion in 2018. SEB's aim is to continue to operate with a strict cost discipline ensuring that the current operations are run in a cost efficient manner. The three year plan 2019-2021 includes strategic initiatives for further revenue growth and continued cost efficiency improvements that, on a cumulative basis, are estimated to lead to total investments of between SEK 2 billion and SEK 2.5 billion during the three-year period from 2019 to 2021, and a new total cost target of around SEK 23 billion by 2021, assuming 2018 foreign exchange rates.

The Board has communicated financial targets for SEB's business in four other areas as follows:

- pay a yearly dividend that is 40 per cent. or more of earnings per share;
- generate a return on capital that is competitive with its peers and, in the long-term, aspire to reach 15 per cent.;
- maintain a CET1 capital ratio of around 1.5 percentage points above the SFSA required level; and
- maintain credit ratings that support competitive access to funding and position SEB as a viable counterparty in the financial markets.

These targets are expected to be reviewed annually. SEB cannot assure potential investors that its targets will be met.

### **HISTORY**

Skandinaviska Enskilda Banken AB (publ) was incorporated under the laws of Sweden on 29th December, 1971 through the amalgamation of Stockholms Enskilda Bank and Skandinaviska Banken as a limited liability company with registration number 502032-9081. Stockholms Enskilda Bank was founded in 1856 by André

Oscar Wallenberg as Stockholm's first privately-held bank. Skandinaviska Kreditaktiebolaget (later Skandinaviska Banken) commenced operations in 1864 as Stockholm's second privately-held bank.

Since its foundation, the cornerstones of SEB's business have been its long-standing customer relationships, entrepreneurship and international outlook. These pillars have, together with the joint heritage of SEB's main shareholder, Investor AB, provided a vital foundation for building Sweden's robust export sector, comprising internationally leading companies across a variety of industries.

In the 1990s, SEB set out a strategy focused on international expansion, long-term savings and the use of information technology to improve products and services for customers. In implementing this strategy, SEB restructured its operations, invested in new technologies, including e-banking solutions, and made strategic acquisitions.

The acquisition of Trygg-Hansa AB in 1997 enabled SEB to offer its customers a range of life insurance and pension savings products. To strengthen its presence in Northern Europe, SEB acquired the German bank BfG Bank AG (since then known as SEB AG and, since 4th December, 2018, DSK Hyp AG) in 2000. In the decade between 1998 and 2008, SEB also made investments in three Baltic banks, Eesti Ühispank in Estonia, Latvijas Unibanka in Latvia and Vilniaus Bankas in Lithuania. These acquisitions were aimed at meeting increased client needs in those countries and at taking advantage of the long-term growth potential in the Baltic region. SEB took further steps to support its customers in the Baltic countries and in Eastern Europe through acquisitions of the Latvian life insurance company, Balta Life, and of Bank Agio in Ukraine (renamed SEB Bank in May 2006). In addition, between the years 2006 to 2008, SEB acquired, respectively, the Russian bank, PetroEnergoBank (renamed SEB Bank in 2007), the Ukrainian bank Factorial Bank, and GMAC Commercial Finance Sp. z o.o. in Poland.

Through a number of other smaller acquisitions during the period 1994 to 2009, SEB further expanded its position in the Nordic region.

On 31st January, 2011, SEB completed the sale of its German retail banking business (which was acquired as part of the SEB AG business) in line with its strategy of concentrating on large corporate and institutional banking activities in Germany and the Nordic countries outside Sweden. Similarly, on 7th June, 2012, SEB completed the sale of its retail banking operations in Ukraine. SEB remains in Ukraine as a corporate bank serving its Nordic, Baltic and German corporate and institutional customers. In November 2014, SEB sold its card acquiring business, Euroline AB. On 1st September, 2015, SEB completed the sale of its German real estate investment management business, SEB Asset Management AG, including its main subsidiary SEB Investment GmbH, to Savills plc. As of 1st January, 2018, the majority of the German franchise was transferred to SEB's German branch through a universal succession in accordance with German law. On 4th December, 2018, SEB AG was renamed DSK Hyp AG, and the remaining business is being operated in run-off mode.

On 14th December, 2017, SEB entered into an agreement to sell all of its shares in SEB Pension to Danica Pension, Livsforsikringsaktieselskab (a subsidiary of Danske Bank) for total consideration of DKK 6.5 billion, comprising DKK 5.0 billion in cash consideration and a pre-closing dividend of DKK 1.5 billion in addition to the DKK 1.1 billion SEB received from these subsidiaries in 2017. This sale was completed on 7th June, 2018. For more details, see "*Business Divisions—Life*" below.

From its origins as primarily a Swedish bank established over 150 years ago, SEB has become a leading Nordic financial services group, with more than half of its customers and staff located outside Sweden.

## KEY FIGURES

The table below shows certain key figures for SEB on a consolidated basis.

	As at/three months ended 31st March	As at/year ended 31st December	
	2020	2019	2018
<b>(Unaudited)</b>			
Return on equity <sup>1)</sup> % .....	6.0	13.7	16.3
Return on equity, excluding items affecting comparability <sup>2)</sup> % .....	-	13.8	13.4
Return on tangible equity % .....	6.3	14.5	-

	As at/three months ended 31st March	As at/year ended 31st December	
	2020	2019	2018
Return on risk exposure amounts <sup>3)</sup> .....	1.2	2.7	3.7
Basic earnings per share <sup>4)</sup> (SEK).....	1.09	9.33	10.69
Cost/income ratio <sup>5)</sup> .....	0.56	0.46	0.48
Net ECL level <sup>6)</sup> % .....	0.25	0.10	0.06
Stage 3 (credit-impaired) loans/total loans, gross % ...	0.71	0.67	0.50
Total capital ratio <sup>7), 8)</sup> % (at period end) .....	21.2	23.3	22.2
CET1 capital ratio <sup>9)</sup> % (at period end) .....	16.8	17.6	17.6
Tier 1 capital ratio <sup>10)</sup> % (at period end) .....	18.7	20.8	19.7
Weighted average number of shares outstanding (millions) <sup>11)</sup> .....	2,164	2,162	2,164
Liquidity Coverage Ratio <sup>12)</sup> % (at period end) .....	176	218	147
Leverage ratio <sup>13)</sup> % (at period end) .....	4.3	5.1	5.1

- 1) Net profit attributable to shareholders in relation to average shareholders' equity (calculated using month-end data).
- 2) Net profit attributable to shareholders, excluding items affecting comparability and their related tax effect, in relation to average shareholders' equity (calculated using month-end data). Items affecting comparability include (i) the completion of the sale of SEB Pension on 30th May 2018, which resulted in a capital gain that was to a large extent tax exempt of SEK 3,565 million (ii) finalisation of the acquisition by Asiakastieto Group Plc (**Asiakastieto**) of UC AB on 29th June, 2018, which resulted in SEB receiving shares in Asiakastieto and SEK 300 million cash, as well as a tax-exempt capital gain of SEK 941 million and (iii) in relation to the core business in Germany being transferred from SEB AG to the German branch of SEB on 2nd January, 2018, a recognition of provisions related to redundancy and excess premises amounting to a total of SEK 521 million.
- 3) Net profit attributable to shareholders in relation to average risk exposure amounts (**REA**) (calculated using month-end data).
- 4) Net profit attributable to shareholders in relation to the weighted average number of shares outstanding (calculated on a daily basis) before dilution.
- 5) Total operating expenses in relation to total operating income.
- 6) Net credit impairments as a percentage of the opening balance of debt securities and loans to the public and credit institutions measured at amortised cost, financial guarantees and loan commitments, less the expected credit loss (**ECL**) allowances (the allowance for expected credit losses on financial assets, contract assets, loan commitments and financial guarantee contracts). The net ECL level is based on the IFRS 9 expected loss model.
- 7) The total capital of the financial group of undertakings, which includes both Group companies (other than insurance companies within the Group) and non-consolidated associated companies, adjusted according to the Basel III capital adequacy rules as a percentage of REA.
- 8) According to SEB's interpretation of the CRD IV/CRR regulatory requirements and as reported to the SFSA.
- 9) The common equity Tier 1 capital as a percentage of REA.
- 10) The Tier 1 capital as a percentage of REA.
- 11) The number of issued shares, less shares owned by the Group, weighted on a daily basis.
- 12) High-quality liquid assets in relation to the estimated net cash outflows over the next 30 days. Calculated according to SFSA regulations for the respective period. This is according to the definition under the relevant EU regulations.
- 13) Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to the standardised approach.

SEB's net expected credit losses were SEK 1,494 million, with a net expected credit loss level (**net ECL level**) of 0.25 per cent., for the three months ended 31st March, 2020 compared to SEK 422 million, with a net ECL level of 0.08 per cent., for the corresponding period in 2019. SEB's net expected credit losses were SEK 2,294, with a net ECL level of 0.10 per cent., for the year ended 31 December 2019, compared to SEK 1,166, with a net ECL level of 0.06 per cent. for the year ended 31 December 2018.

## SHARE CAPITAL AND OWNERSHIP DETAILS

The Bank's share capital is expressed in SEK and is distributed among the shares issued by the Bank. The Bank has two classes of shares outstanding: A Shares and C Shares. Each A Share carries one vote and each C Share carries 0.1 vote. Each shareholder entitled to vote at a meeting may vote the full number of shares owned without limitation. Following the shareholders' resolution at the Annual General Meeting (the **AGM**) of the Bank held on 6th March, 2009 and pursuant to the Bank's Articles of Association adopted at such AGM, the share capital shall amount to not less than SEK 10,000,000,000 and not more than SEK 40,000,000,000 and the number of shares shall not be less than 1,000,000,000 and shall not exceed 4,000,000,000. Each A Share and each C Share carries equal rights to dividends and any surplus in connection with liquidation.

The following table shows information about the Bank's issued share capital as of 30th April, 2020:

Share series	Number of	Number of	Percentage of all
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	<u>shares</u>	<u>votes</u>	<u>Capital</u>	<u>Votes</u>
A.....	2,170,019,294	2,170,019,294	98.9	99.9
C.....	24,152,508	2,415,251	1.1	0.1
<b>Total.....</b>	<b><u>2,194,171,802</u></b>	<b><u>2,172,434,545</u></b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>

On 30th April, 2020 the Bank had approximately 279,983 shareholders. As of 30th April, 2020, the 10 and 100 largest shareholders held 49.9 per cent. and 71.7 per cent., respectively, of the Bank's total share capital, and 49.6 per cent. and 71.9 per cent., respectively, of the votes in the Bank. Approximately 181,059 shareholders, or around 64.7 per cent. of all shareholders held 500 shares or less as of 30th April, 2020. Non-Swedish shareholders held 25.7 per cent. of the Bank's capital as of 30th April, 2020. According to Euroclear AB, SEB's shares are among the five most commonly owned listed shares in Sweden in terms of the number of shareholders.

As of 30th April, 2020 there were six shareholders in the Bank holding more than 2.5 per cent. of the share capital, as shown in the table below.

<u>As of 30th April, 2020</u>	<u>Number of shares</u>	<u>of which C shares</u>	<u>Percentage of all</u>	
			<u>Shares</u>	<u>Votes</u>
Investor AB.....	452,198,555	4,000,372	20.8	20.8
Alecta <sup>1)</sup> .....	142,152,500	—	6.5	6.5
Trygg Foundation <sup>2)</sup> .....	114,673,802	—	5.2	5.3
Swedbank/Robur Funds.....	90,334,477	—	4.1	4.2
AMF Insurance & Funds.....	83,007,683	—	3.8	3.8
Blackrock.....	58,849,158	—	2.7	2.7

1) Sw: Alecta pensionsförsäkring ömsesidig.

2) Sw: Trygg-Stiftelsen.

Source: Euroclear AB Sweden/Vardepappercentralen (the Swedish Central Securities Depository)/SIS Ägarservice AB

## CORPORATE OBJECTS AND PURPOSES

In accordance with article three of the Bank's articles of association, its principal corporate objects and purposes are to carry on such banking and financial activities as are referred to in Chapter 1, Section 3 and Chapter 7, Section 1 of the Swedish Banking and Financing Business Act (2004: 297), together with all activities related thereto.

## BUSINESS DIVISIONS

Between 2016 and 2018, SEB managed its business through four business divisions: Large Corporates & Financial Institutions, Corporate & Private Customers, Baltic and Life & Investment Management.

With effect from 1st January, 2019, SEB reorganised into five divisions with Life and Investment Management separated into two separate business divisions with the Investment Management division reported in the Investment Management & Group Functions operating segment.

The business divisions are identified as separate operating segments in the Group's financial statements.

Group Functions (consists of Group Treasury, Business Support, the German run-off operations, and Group Staff and other various small units). The Group's common support functions – Business Support and Group Staff – support the Group's business divisions.

### Large Corporates & Financial Institutions

The Large Corporates & Financial Institutions division is primarily responsible for SEB's activities relating to large corporations (including real estate and shipping clients and financial sponsors) and financial institutions

(including banks, asset managers, insurance companies, pension funds, foundations, central banks and sovereign wealth funds).

The division is also responsible for developing and providing products and services to all customer segments within the areas of:

- Investment Banking – which includes Corporate Finance, (which provides advisory services relating to mergers and acquisitions and equity capital markets), Equities, Equity Capital Markets and Debt Capital Markets (which arranges structures and executes debt transactions, including bonds, corporate acquisition financings, general corporate refinancing and leveraged buy-outs as well as other types of complex debt facilities);
- FICC Markets – which provides execution and research and development of financial instruments within Foreign Exchange, Fixed Income and Commodities; as well as financial risk advisory;
- Investor Services – which provides global custody, sub-custody, depositary, cash clearing, prime collateral services, derivatives clearing, risk and valuation services and back office for hire to financial institutions. In addition, several products are combined in the following product offerings: fund services, prime brokerage and prime services; and
- Transaction Services – which includes cash management, liquidity management and payment services, trade and supply chain financing and working capital solutions product clusters.

The Large Corporates & Financial Institutions division is also responsible for the sale of asset management services to financial institutions and life insurance companies.

SEB's Large Corporates & Financial Institutions division operates in the Nordic countries, Germany and the UK and is supported through SEB's network of international branches, subsidiaries and representative offices in New York, Singapore, Luxembourg, Beijing, Shanghai, Warsaw, Tallinn, Riga, Vilnius, St. Petersburg, Kiev, New Delhi, Hong Kong and elsewhere.

### **Corporate & Private Customers**

SEB's Corporate & Private Customers division offers full banking and advisory services to private individuals and small and medium-sized corporate customers in Sweden, as well as card services in four Nordic countries. Nordic high net-worth individuals are offered leading private banking services with global reach.

As of the date of this Information Memorandum, the division serves approximately 2 million private customers and approximately 170,000 full-service corporate customers.

As of 31st March, 2020, customers within SEB's Corporate & Private Customers division have access to the range of SEB's product offerings and services through 113 branch offices and three portable advisory units in Sweden and through digital services. Approximately 35 per cent. of SEB's household mortgage applications and almost 30 per cent. of new private customers in Sweden were applied for and onboarded digitally during 2019.

The private banking business has offices in the Nordic and Baltic countries, Luxembourg, Germany and Singapore. The private banking business offers a full spectrum of asset management and advisory services. Its product range includes equity and fixed-income, private equity, real estate and hedge fund management.

The Card business area had a total average of approximately 3.8 million charge, credit, debit and co-branded cards in issue as of 31st March, 2020 in the Nordic region. SEB's card issuing business includes brands such as Eurocard, Mastercard and several co-brands. SEB has obtained the exclusive right to use the Eurocard brand in Finland, Sweden, Norway and Denmark, which supports its objective to be the market leader for commercial cards in the Nordic region.

### **Baltic**

The Baltic division serves approximately 1.8 million private customers and approximately 129,000 SME customers and is responsible for retail and corporate banking, trading and capital markets and transaction services to Estonian, Latvian and Lithuanian clients. The financial results generated by structured finance and life and investment management provided in these countries are recorded in the Large Corporates & Financial Institutions, the Life and the Investment Management & Group Functions operating segments, respectively. This

division's product range includes advisory services, mortgage and other lending, savings products and cards for both SMEs and private individuals in Estonia, Latvia and Lithuania.

The Baltic division's customers have access to the range of SEB's product offerings and services through 71 branch offices in the Baltic countries as of 31st March, 2020, internet and mobile telephone banking and personal telephone banking services. The Baltic division also provides automatic bank service machines (including ATMs and machines for cash deposits).

As well as operating, within the Baltic Banking business units, in a pan-Baltic structure of Baltic retail banking, Baltic corporate banking and Baltic treasury, the Baltic division is formally organised into three business units by geography:

- Estonia;
- Latvia; and
- Lithuania.

## **Life**

The Life business offers products within the area of pension and life insurance for individuals and corporations, mainly in Sweden and the Baltic countries. The Life business offers both unit-linked, traditional insurance and other pension savings products including health insurance. Unit-linked insurance represented 68 per cent. of total sales of insurance policies in the three months period ended 31st March, 2020.

The Life business operates mainly under SEB Life and Pension Holding AB, a wholly-owned subsidiary of the Bank, and its various subsidiaries, which provide both unit-linked and traditional life insurance. The Life business had approximately 0.7 million customers as of 31st March, 2020 and is organised into two business lines:

- SEB Life, Sweden; and
- SEB Life International.

Certain portions of SEB's traditional life insurance business are run through entities or under portfolios and funds that are not consolidated into the Group's accounts.

The Life business' products are distributed through the retail branch network, insurance mediators, agents and own sales personnel.

On 14th December, 2017, SEB entered into an agreement to sell all of its shares in SEB Pension to Danica Pension, Livsforsikringsaktieselskab (a subsidiary of Danske Bank) for total consideration of DKK 6.5 billion, comprising DKK 5.0 billion in cash consideration and a pre-closing dividend of DKK 1.5 billion in addition to the DKK 1.1 billion SEB received from these subsidiaries in 2017. The sale of the shares in these subsidiaries encompassed a portfolio of life and pensions contracts, predominantly consisting of private individuals and SMEs, and approximately 270 employees, predominantly located in Copenhagen, Denmark. This sale was completed on 7th June, 2018.

In 2018, the divested businesses contributed SEK 360 million to Group income, SEK 152 million in operating expenses and SEK 208 million in operating profit. The effect of the divestments on the Group's key financial ratios was, as expected, an improvement of 60 bps in the Group's CET1 ratio and a limited negative impact on the Group's earnings per share. The divestment also is expected to reduce SEB's exposure to market risk arising from the traditional guaranteed life insurance contracts.

SEB intends to continue to develop its large corporate and financial institution clients as well as its asset management business in Denmark and remains committed to its successful bancassurance model in Sweden and the Baltic countries.

## **Investment Management & Group**

The investment management business distributes its services through the asset management sales force within the Large Corporates & Financial Institutions division, the Life division, SEB's retail network and the private banking units in SEB's core markets and in Singapore and Luxembourg, as well as through third-party distributors.

The product offering of this business includes a broad range of funds, undertakings for collective investments in transferable securities (UCITS) and alternative investment funds (AIFs) with diverse investment strategies and tailored portfolios for institutional buyers. Sustainability is a focus area for SEB's investment management business, which has been integrated into its daily business, with UN's Principle for Responsible Investments (PRI) serving as a guide for sustainability activities, with an emphasis on inclusion, engagement and exclusion.

## **COMPETITION IN KEY MARKET SEGMENTS**

In Sweden, the banking system is highly consolidated, with the four largest banking groups – Nordea Bank Abp (**Nordea**), SEB, Svenska Handelsbanken AB (**Svenska Handelsbanken**) and Swedbank AB (**Swedbank**) – accounting for approximately 73 per cent. of the total assets in the banking market as of 31st March, 2020 according to Statistics Sweden. These four banks together represented approximately 66 per cent. of total Swedish customer deposits and approximately 68 per cent. of total customer lending as of 31st March, 2020, according to the same source. After Nordea's change of home country from Sweden to Finland, its assets reported in the Swedish branch of Nordea Bank Abp decreased to SEK 1.0 billion as of 31st March, 2020.

Each of SEB and these other banks offers comprehensive banking services to Swedish corporate clients. Despite their significant incumbent market shares, SEB and each of these other banks compete keenly in the Swedish market both in terms of price as well as service, particularly in respect of the deposit market. This competitive environment is evidenced by the relatively low margins and fees in Sweden for the full range of corporate and retail financial services, in common with other mature and consolidated European banking markets.

In the Swedish life insurance market, SEB's main competitors are Försäkringsaktiebolaget Skandia and Länsförsäkringar AB.

The three major banks in Sweden that SEB competes with are also key competitors from a Nordic perspective. Danske Bank is also becoming an important competitor for SEB in the Swedish non-financial corporate market. SEB's main competitor in Finland is Nordea, both in the corporate and wealth management segments. Sampo Bank ABP (part of Danske Bank A/S) is also a key competitor in Finland. In Norway, DNB ASA and Fokus Bank ASA (also part of Danske Bank A/S) are the key competitors. SEB's two main competitors in Denmark are Danske Bank and Nordea.

In Germany, SEB's business faces its primary competition from Deutsche Bank, Commerzbank and UniCredit as well as BNP Paribas, HSBC and ING.

In the Baltic countries, SEB's main competitors are Swedbank and Luminor (formed in October 2017 pursuant to an agreement between Nordea and DNB ASA).

SEB also competes with other large international banks in the wholesale and investment banking area. Competition from these banks remains below the levels experienced before the global financial crisis in 2008 but has been recently increasing.

## **SUBSIDIARIES**

The Bank is the parent company of the Group. The Bank's large subsidiaries are SEB Life and Pension Holding AB, SEB Kort Bank AB, AS SEB Pank (Estonia), AS SEB banka (Latvia) and AB SEB bankas (Lithuania), which are all wholly owned. SEB's subsidiaries as of 31st December, 2019 are listed in Note 22 to the 2019 Financial Statements incorporated by reference in this Information Memorandum. In addition, a portion of SEB's traditional life insurance business is carried out through a non-consolidated entity, Gamla Liv, as described in Note 1, "Accounting Policies" to the 2018 Financial Statements.

## **PROPERTIES**

The Group's principal executive offices are located at Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden (telephone number: +46 771 62 10 00). It also operates through a number of other offices and branches located throughout the Northern European region and elsewhere internationally. In general, all of the Group's properties are leased.

## **RECENT DEVELOPMENTS**

*The SFSA publishes its findings following its supervisory review of SEB*

On 25th June, 2020, SEB received the decision by the SFSA following its supervisory review of SEB's routines and processes with regards to the regulatory frameworks that govern anti-money laundering. The SFSA has

decided to issue SEB a remark, which is a lower degree of an administrative sanction that is issued when a breach has not been deemed to be serious. The SFSA has also decided to issue SEB with an administrative fine of SEK 1 billion, which corresponds to about 14 per cent. of the maximum amount that the SFSA can impose in this case, as well as a precept to take certain measures to improve its transaction monitoring.

The SFSA's investigation of SEB has been coordinated with the supervisory authorities in Estonia, Latvia and Lithuania. The SFSA investigated SEB's governance of the anti-money laundering work in its Baltic subsidiaries while the Baltic supervisory authorities investigated the compliance of SEB's Baltic subsidiaries with the anti-money laundering regulatory framework in their operations. SEB Pank (Estonia) received a precept and a fine of EUR 1 million from the Estonian supervisory authority for breaches of local anti-money laundering requirements. SEB's Baltic subsidiaries have also previously received a sanction in Latvia and an order to correct deficiencies in Lithuania. All Swedish and Baltic supervisory authorities have hereby concluded their reviews regarding SEB's anti-money laundering work.

#### *The impact of the COVID-19 pandemic on SEB*

The COVID-19 pandemic has had a negative impact on SEB's financial performance in the first quarter of 2020 but SEB's underlying businesses remain robust. As at 17th April, 2020, SEB had processed pandemic-related credit requests corresponding to an amount of around SEK 133 billion, which is more than twice the volume that SEB would typically process during a full year and SEB has arranged transactions such as social bonds, health bonds and commercial papers, all with the purpose of supporting people, companies and countries affected by COVID-19.

During the first quarter of 2020, the outbreak of the COVID-19 virus and the consequent significant decrease in demand for oil, coupled with the decision of the Organization of the Petroleum Exporting Countries (OPEC) to remove all limits on oil production in March 2020, caused a sharp drop in oil prices. While this situation was reversed in part on 9th March, 2020 and 12th April 2020, when OPEC and certain non-OPEC oil-producing countries agreed to temporarily limit production, there can be no assurance that crude oil prices will not decrease further. The price of crude oil continues to fluctuate significantly but remains low due to uncertainty surrounding production output levels and due to significantly lower demand. The rapidly changing environment, uncertain macroeconomic outlook combined with the volatility in oil prices led SEB to make an adjustment to the modelled expected credit losses for expected future asset quality deterioration in several sectors. This model overlay amounted to SEK 1.1 billion, of which SEK 500 million was for oil-related exposures.

Furthermore, financial markets, which have been particularly volatile since March 2020, are expected to continue to be volatile given the prevailing uncertainty. This may adversely impact fair values of certain financial instruments and holdings, and, consequently, net financial income and capital. For example, after the breakout of COVID-19, both interest rates and equity values turned unfavourable with significant impact on SEB. With the widening credit spreads, the fair value credit adjustment (reflecting unrealised valuation changes from counterparty risk and own credit risk standing in derivatives) decreased to SEK -1,282 million in the first quarter of 2020 compared to SEK 267 million in the fourth quarter of 2019. The market valuation of certain strategic holdings decreased by SEK -703 million quarter-on-quarter.

In response to the COVID-19 outbreak, the Swedish government and regulatory authorities, including the SFSA and the Riksbank, have introduced various measures aimed at mitigating the economic consequences of the outbreak. For example, on 13th March, 2020, the Riksbank introduced loans up to SEK 500 billion to non-financial companies via banks, to be granted at its repo rate of 0 per cent. with a maturity of two years, to facilitate credit supply in the Swedish economy. On 16th March, 2020, the Riksbank also announced a SEK 300 billion asset purchase programme, under which it began to increase its purchases of government, covered, municipal and corporate bonds. While the Riksbank decided to keep its repo rate unchanged at 0 per cent., it lowered the lending rate for overnight loans to banks from 0.75 per cent. to 0.20 per cent. above the repo rate and decided to offer banks an unlimited amount of three-month loans against collateral, while relaxing its lending rules to accept a wider range of collateral against loans, including by increasing the permitted share of covered bonds in collateral from 80 per cent. to 100 per cent. The Riksbank also announced on 19th March, 2020, that it had agreed a U.S.\$60 billion swap facility with the Federal Reserve to increase its capacity to offer loans in U.S. dollars in Sweden.

The SFSA lowered the countercyclical buffer for Swedish banks from 2.5 per cent. to 0 per cent. as of 16th March, 2020, in order to allow banks to maintain their credit supply. According to the SFSA, this change corresponded to an approximately SEK 45 billion reduction in capital requirements for the Swedish banking

sector. It was also announced on the same day that the SFSA would allow banks to temporarily breach the liquidity coverage ratio for individual currencies and for their total currency exposure.

## MANAGEMENT

The Board of Directors (the **Board**) has the overall responsibility for the activities carried out within the Bank and the Group and thus decides on the nature, direction, strategy and framework of their activities and sets the objectives for these activities.

The President is responsible for the day-to-day management of the Group's activities in accordance with the guidelines and established policies and instructions of the Board. The President reports to the Board and submits at each Board meeting a report on, among other things, the development of the business in relation to resolutions taken by the Board at each of its meetings.

The Group has three control functions, which are independent from the business operations: Group Internal Audit, Group Compliance and Group Risk.

### **The Board**

Members of the Board are appointed by the shareholders at the annual general meeting for a term of office of one year, extending through the next annual general meeting. In accordance with the Swedish Code of Corporate Governance, the Chairman of the Board is also appointed at the annual general meeting of the Bank's shareholders for a term of office until the end of the next annual general meeting. The Bank's articles of association specify that the Board shall consist of not less than six and not more than thirteen members, with a maximum of six deputies. In addition, and in accordance with Swedish law, there must be directors appointed by the Bank's employees. At present, the Board has eleven directors, without any deputies, elected by the shareholders and two members and two deputies appointed by the Bank's employees. The President is the only member of the Board elected by the shareholders who is also an employee of the Bank. All other members of the Board elected by shareholders at the Bank's AGM held on 26th March, 2019 are considered to be independent in relation to the Bank and its management. With the exception of Marcus Wallenberg and Helena Saxon, who are not considered to be independent directors due to their respective relationships with Investor AB, which is a major shareholder of SEB, all other members of the Board are considered to be independent in relation to the major shareholders of SEB.

The Board appoints and dismisses the President and his/her deputy as well as the Executive Vice Presidents, the Chief Risk Officer, the members of the Group Executive Committee and the Head of Group Internal Audit.

### **Committees of the Board**

At present, there are three committees within the Board: the Risk and Capital Committee, the Audit and Compliance Committee and the Remuneration and Human Resources Committee. Minutes are kept of each committee meeting and the committees submit regular reports to the Board. Neither the President nor any other officer of the Bank is a member of any of the committees. The work of the Board committees is regulated through instructions adopted by the Board.

#### ***Risk and Capital Committee***

The Risk and Capital Committee of the Board supports the Board in establishing and reviewing the Group's organisation so that it is managed in such a way that risks inherent in the Group's activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules. The Committee decides the principles and parameters for measuring and allocating risk and capital within the Group and oversees risk management systems and overall risk tolerance and strategy for the near and long term, as well as the implementation of this strategy. The Committee reviews and makes proposals for Group policies and strategies, and monitors the implementation of these policies. The Risk and Capital Committee makes proposals to the Board regarding the decisions to be taken by the Board concerning limits for market and liquidity risks.

The Risk and Capital Committee adopts credit policies and instructions that supplement the Group Credit Policy and the Group Credit Instruction and makes decisions on individual credit matters (matters of major importance or of importance as to principles). In addition, the Risk and Capital Committee reviews on a regular basis both significant developments in the credit portfolio and the credit evaluation process within the Group. It also examines matters relating to operational risk, market and liquidity risk and insurance risk.

The Risk and Capital Committee regularly reviews essential changes in the overall capital and liquidity situation and the capital adequacy situation of the Group. The Risk and Capital Committee deals with changes in the Group's capital goals and with capital management matters, and makes proposals to the Board on such matters, including dividend levels and the set-up and utilisation of repurchase programmes of own shares.

The Risk and Capital Committee consists of three members and forms a quorum whenever a minimum of two members are present, including the Chairman or Deputy Chairman of the Risk and Capital Committee.

#### ***Audit and Compliance Committee***

The Audit and Compliance Committee of the Board supports the work of the Board in terms of quality control of the Group's financial reports and internal control over financial reporting. The Audit and Compliance Committee maintains regular contact with the external and internal auditors of the Group and discusses the co-ordination of the external and internal audit. The Audit and Compliance Committee deals with the accounts and interim reports, as well as with audit reports, including any changes in the accounting rules. It assesses the external auditors' work and independence and prepares proposals for new auditors prior to the AGM's election of the auditors.

The Audit and Compliance Committee also approves the Group's compliance plan. The internal audit and compliance activities are monitored on a continuous basis.

The Audit and Compliance Committee consists of four members, none of whom are employed by the Group. The Audit and Compliance Committee forms a quorum whenever a minimum of two members are present, including the Chairman or Deputy Chairman of the Audit and Compliance Committee.

#### ***Remuneration and Human Resources Committee***

The Remuneration and Human Resources Committee of the Board prepares proposals for remuneration applicable to the President and the members of the Group Executive Committee according to the principles established by the AGM as well as to the Head of Group Internal Audit, the Head of Group Compliance and the Chief Risk Officer. The Remuneration and Human Resources Committee furthermore prepares matters regarding incentive programmes and pension plans, monitors the pension commitments of the Group and monitors, together with the Risk and Capital Committee of the Board, all measures taken to secure the pension commitments of the Group, including the development of the Group's pension foundations. It also discusses personnel matters of strategic importance, such as succession planning for strategically important positions and other management supply issues.

The Remuneration and Human Resources Committee consists of three members, none of whom is employed by the Group. The Remuneration and Human Resources Committee forms a quorum whenever a minimum of two members are present, including the Chairman or Deputy Chairman of the Remuneration and Human Resources Committee.

#### **President**

The President is responsible for the day-to-day management of the Group's activities in accordance with the guidelines and established policies and instructions of the Board. The President reports to the Board and submits at each Board meeting a report on, among other things, the development of the business in relation to resolutions taken by the Board at each of its meetings.

The President appoints the Heads of Divisions, the Finance Director, the Head of Group Finance, the Head of Business Support and the Heads of various staff and Group functions. The President also appoints the Head of Group Compliance. The Finance Director and the Head of Group Finance are appointed in consultation with the Chairman of the Board and the Head of Group Compliance after approval by the Audit and Compliance Committee of the Board.

The President has three different committees at his disposal for the purpose of managing the Group's operations: the Group Executive Committee (**GEC**) for business issues, the Group Risk Committee for credit issues and the Group's Asset-Liability Committee for capital and risk issues.

#### **Group Executive Committee**

In order to protect the interests of the Group, the President consults with the GEC on matters of major importance. The Group Executive Committee deals with, among other things, matters of common concern to several divisions, strategic issues, business plans, financial forecasts and reports.

The current members of the GEC are as follows:



Name	Position, Other Assignments and Background
Johan Torgeby	<p>President and Chief Executive Officer.</p> <p><i>Other present assignments:</i> Director of the Swedish Banker's Association and of the Institute of International Finance and Mentor Sweden.</p> <p><i>Background:</i> The Board appointed Johan Torgeby as the new President and CEO effective as of 29th March, 2017. Johan Torgeby has been an SEB employee since 2009. He has served as Head of Client Coverage in SEB's former Merchant Banking division and, between 2014 and 2016, as co-Head of the former Merchant Banking division. Prior to joining SEB, he was a Portfolio Manager and Macro-economist at Robur Asset Management (Swedbank), Head of Nordic and Dutch Corporate Debt Capital Markets &amp; Risk Management as well as Executive Director, Financial Sponsors Group Private Equity at Morgan Stanley in London and Stockholm.</p>
Magnus Carlsson	<p>Deputy President and Chief Executive Officer since 2014.</p> <p><i>Background:</i> Magnus Carlsson worked at the Bank of Nova Scotia between 1980 and 1993, holding several leading positions in London. He was first employed by SEB in 1993. He became Head of Project &amp; Structured Finance, SEB Merchant Banking, in 1996, and Head of Corporate Clients in 1999. He was also Deputy Head of SEB Merchant Banking division and an Executive Vice President of SEB in 2005.</p>
Masih Yazdi	<p>Chief Financial Officer since 2020.</p> <p><i>Background:</i> Prior to taking on his present position, Masih Yazdi was a highly ranked equity research analyst at Erik Penser Bank, Credit Suisse and SEB. He has also worked as a risk analyst at the SFSA. He joined SEB in 2013, acting as Head of Group Financial Management since 2016 and was appointed as the Finance Director in 2018.</p>
Magnus Agustsson	<p>Chief Risk Officer since 2017.</p> <p><i>Background:</i> Magnus Agustsson began his career at Nordic Investment Bank in 1999 before moving to DEPFA in 2006. He joined SEB in 2009 acting as Head of Risk in Baltic Division before becoming Head of Group Risk Centre in 2011 and Head of Group Risk in 2014.</p>
Mats Torstendahl	<p>Executive Vice President, Head of Corporate &amp; Private Customers since 2018, co-head of Corporate &amp; Private Customers between 2016 to 2018.</p> <p><i>Background:</i> Mats Torstendahl started his career at ABB in 1985. In 1987, he moved to Östgöta Enskilda Bank, where he was branch manager in Stockholm between 1996 and 2000. He was appointed Executive Vice President of Danske Bank in Sweden in 2001 and Senior Executive Vice President and Head of Danske Bank Sweden and a member of Danske Bank Group Executive Committee between 2004 and 2008. He joined SEB as Head of the former Retail Banking division in 2009.</p>
William Paus	<p>Executive Vice President, co-Head of Large Corporates &amp; Financial Institutions since 2018 and Group AML Senior Officer since 2020.</p> <p><i>Background:</i> William Paus joined SEB in 1992 and has held numerous positions within the Large Corporates &amp; Financial Institutions division in Norway, Germany and Singapore.</p>

Name	Position, Other Assignments and Background
Sara Öhrvall	<p>Chief Digital, Customer Experience and Communications Officer since 2018.</p> <p><i>Background:</i> Sara Öhrvall has strategic marketing and product development experience, including as a product development manager at Volvo Cars with responsibility for niche cars. She also has experience in entrepreneurship within management consulting, particularly in the field of product and service development. Sara Öhrvall was head of the Bonnier AB research and development unit and a member of the group management of Bonnier AB with strategic responsibility for the transformation towards digital products and markets. She is the founder of MindMill Network, a consultancy network active in innovation and business development with a focus on digitalisation. Sara Öhrvall was also a Director of NetOnNet Group prior to her appointment as a Director of SEB and was a member of the Investment Advisory Board for the Business Lab at the Stockholm School of Economics, Sweden.</p>
Jeanette Almberg	<p>Head of Group Human Resources since 2016.</p> <p><i>Background:</i> Jeanette Almberg has been an SEB employee since 2008. She has acted as Head of SEB Kort, Head of SEB Operations and Head of Customer Operations Tele2. She has also held a number of positions within marketing and sales within various industries.</p>
Joachim Alpen	<p>Executive Vice President, co-Head of the Large Corporates &amp; Financial Institutions division since 2018.</p> <p><i>Background:</i> Joachim Alpen has been an SEB employee since 2001, holding several leading positions within Merchant Banking, including co-Head of the former Merchant Banking division between 2014 and 2016. He has also served as Head of Emerging Markets, Global Head of Foreign Exchange and Global Head of Markets. Prior to joining SEB, he worked at the Swedish Embassy in Moscow and at the ABB Treasury Center.</p>
Jonas Ahlström	<p>Head of the Baltic division since 2020.</p> <p><i>Background:</i> Jonas Ahlström joined SEB in 2005 from Investor AB and has since then held several strategic, advisory and leading roles in different parts of the bank. He has held the position as head of SEB Group's strategy office where he played a vital role in the creation and execution of SEB's business plans. In 2018, he assumed the role as Chief Financial Officer of the Baltic division.</p>
Nina Korfu-Pedersen	<p>Head of Business Support and Operations since 2020.</p> <p><i>Background:</i> Nina Korfu-Pedersen has a background as a management consultant with PA Consulting and as head of group control &amp; strategy at If P&amp;C Insurance. She joined SEB in 2010 as head of Financial Services within Group Finance and became Head of Group Finance in 2016.</p>
Petra Ålund	<p>Head of Group Technology and Group Outsourcing Senior Manager since 2019.</p> <p>Petra Ålund has held senior positions within the IT area at Sandvik and Ericsson before she joined SEB as head of IT Services in 2017 and became head of Technology in June 2019.</p>

<b>Name</b>	<b>Position, Other Assignments and Background</b>
Nicolas Moch	Group Chief Information Officer since 2018.  Nicolas Moch has a background as an IT and management consultant at Cap Gemini. He joined SEB in 2008.

### ***Group Risk Committee***

The Group Risk Committee is a Group-wide decision-making unit, covering all types of risk and evaluating portfolios, products and clients from a comprehensive risk perspective. The Group Risk Committee is authorised by the Board to make all credit decisions, with the exception of a few matters that are reserved for the Risk and Capital Committee of the Board as described under “—Committees of the Board—Risk and Capital Committee”. The Group Risk Committee is also responsible for:

- Ensuring that all risks inherent in the Group’s activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules;
- Supporting the President in ensuring that decisions regarding the Group’s long-term risk appetite are complied with; and
- Ensuring that the Board’s guidelines for risk management and risk control are adhered to and that the necessary rules and policies for risk taking within the Group are maintained and enforced.

The President is the chairman of the Committee and the Chief Risk Officer is its deputy chairman. The Group Risk Committee typically meets on a weekly basis.

### ***Asset-Liability Committee***

The Asset-Liability Committee, chaired by the President, is a Group-wide decision making, monitoring and consultative body that handles financial stability; the trade-off between financial reward and risk appetite; strategic capital and liquidity issues; structural issues and issues concerning the development of the balance sheet and other business volumes; and financing issues relating to wholly-owned subsidiaries, among other matters.

### ***Internal audit, compliance and risk control***

Group Internal Audit is an independent Group-wide function, reporting directly to the Board. The main responsibility of Group Internal Audit is to provide reliable and objective assurance to the Board and the President on the effectiveness of controls, risk management and governance processes with the aim of mitigating current and evolving risks and in so doing enhancing the control culture within the Group. The Head of Group Internal Audit reports regularly to the Audit and Compliance Committee of the Board and keeps the President and the Group Executive Committee regularly informed. The Audit and Compliance Committee adopts an annual plan for the work of Group Internal Audit.

The Group Compliance function is fully independent from the business operations, although it serves as a support function for the Group’s business operations. Group Compliance is instructed to act proactively by providing information, advice, control and follow-up within the compliance areas. The areas of responsibility for Group Compliance include customer protection, market conduct, prevention of money laundering and financing of terrorism, and regulatory systems and control. The duties of the Group Compliance function are risk management, monitoring, reporting, development of internal rules within the compliance area, training and communication and relations with regulators. The Head of Group Compliance reports regularly to the President and the GEC and informs the Audit and Compliance Committee about compliance issues. Following a Group-wide compliance risk assessment and approval from the Audit and Compliance Committee, the President adopts an annual compliance plan.

The Board has the ultimate responsibility for the risk organisation and for the maintenance of satisfactory internal controls. The Board establishes the overall risk and capital policies and monitors the development of risk exposure. The Risk and Capital Committee works to ensure that all risks inherent in the Group’s activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules.

Specific risk mandates are established by the Board and further allocated by Board committees, executive management committees and other risk control bodies.

The Chief Risk Officer function is the unit responsible for monitoring the Group's risks, primarily credit risk, market risk, operational risk and liquidity risk. It is a function that is deeply embedded in, yet independent from, business operations at the divisional level.

The Board has adopted instructions for the internal audit and compliance activities of the Group.

## Directors of SEB

As at the date hereof, the members of the Board are as follows:

### *Directors elected at the AGM held on 26th March, 2019*

<b>Names</b>	<b>Position</b>
Marcus Wallenberg <sup>(2)(5)(7)</sup>	<i>Chairman of the Board.</i> Chairman of Saab AB and FAM AB, Vice Chairman of Investor AB. Director of AstraZeneca PLC, the Knut and Alice Wallenberg Foundation and Temasek Holdings Ltd. Council member of the International Advisory Council of Hong Kong Exchanges and Clearing Limited.
Sven Nyman	<i>Deputy Chairman of the Board.</i> Chairman of RAM Rational Asset Management AB. Director of RAM One AB, Ferd AS, the Nobel Foundation Investment Committee, the Stockholm School of Economics Association, the Stockholm School of Economics and Axel and Margaret Ax:son Johnsons Foundation.
Jesper Ovesen <sup>(1)(4)</sup>	<i>Deputy Chairman of the Board.</i> Director of Sunrise Communication Group AG.
Johan H. Andresen	Owner and Chairman of Ferd A/S, Norway, Chairman of Council on Ethics for the Government Pension Fund Global. Director of SWIX Sport AS, the Norwegian Microfinance Initiative (NMI) and Junior Achievement Europe.
Signhild Arnegård Hansen <sup>(6)</sup>	Chairman of SnackCo of America Corp. Vice Chairman of the Swedish-American Chamber of Commerce, USA. Director of Business Sweden and the Entrepreneurship and Small Business Research Institute, SOS Children Villages Sweden and Member of the International VAT Association.
Samir Brikho <sup>(3)</sup>	Director of the Euro-Chem Group AG, UK Business Ambassador since 2010. Co-chairman of the UK-UAE Business Council and of the UK-ROK CEO Forum. Member of the Stena AB Advisory Board. Chairman of the Step Change Charity.
Winnie Fok <sup>(9)</sup>	Director of Volvo Car Corporation, G4S plc. and Foscam Properties Limited. Senior Advisor to Wallenberg Foundations AB.
Lars Ottersgård	Head of Market Technology, Nasdaq Inc. (USA). Chair and CEO of Nasdaq Technology AB.
Anne-Catherine Berner <sup>(8)</sup>	Chairman of the Board of Oy Vallila Interior Ab (Finland). Chairman of Board and of the Founders of the Association for the support of the New Children's Hospital in Helsinki.
Helena Saxon <sup>(9)</sup>	CFO of Investor AB. Director of Swedish Orphan Biovitrum AB.
Johan Torgeby	<i>President and Group Chief Executive Officer.</i> Director of the Swedish Bankers' Association and of the Institute of International Finance and Mentor Sweden. Board member of the European Banking Federation.

### *Directors appointed by the employees:*

Anna-Karin Glimström	Chairman of Financial Sector Union of Sweden SEB Group, Chairman of Financial Sector Union Western section in SEB, Director of EB-SB Fastigheter AB and Director of EB-SB Holding AB.
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<b>Names</b>	<b>Position</b>
Håkan Westerberg	Chairman of the Association of University Graduates at SEB.
<i>Deputy Directors appointed by the employees:</i>	
Annika Dahlberg	First Deputy Chairman of Financial Sector Union in SEB and Financial Sector Union of Sweden Regional Club Group Operations in SEB.
Charlotta Lindholm	Vice Chairman of the Association of University Graduates at SEB and Director of the Foundation of Alma Detthows.

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- (1) Chairman of the Risk and Capital Committee of the Board.
  - (2) Deputy Chairman of the Risk and Capital Committee of the Board.
  - (3) Member of the Risk and Capital Committee of the Board.
  - (4) Chairman of the Audit and Compliance Committee of the Board.
  - (5) Deputy Chairman of the Audit and Compliance Committee of the Board.
  - (6) Chairman of the Remuneration and Human Resources Committee of the Board.
  - (7) Deputy Chairman of the Remuneration and Human Resources Committee of the Board.
  - (8) Member of the Remuneration and Human Resources Committee of the Board.
  - (9) Member of the Audit and Compliance Committee of the Board.

None of the persons described in this “*Management*” section of the Information Memorandum has any actual or potential conflict of interest between his or her duties to the Bank and his or her private interests and/or other duties.

The business address of each of the persons described in this “*Management*” section of the Information Memorandum is Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden.

The Nomination Committee has proposed for approval at the next AGM to be held on 29th June, 2020, re-election of Signhild Arnegård Hansen, Anne-Catherine Berner, Winnie Fok, Sven Nyman, Lars Ottersgård, Jesper Ovesen, Helena Saxon, Johan Torgeby and Marcus Wallenberg. Johan H. Andresen and Samir Brikho have informed SEB that they are not available for re-election.

## OVERVIEW OF THE SWEDISH LEGISLATION REGARDING COVERED BONDS

*The following is a brief summary of certain features of the Covered Bond Act at the date of this Information Memorandum. It does not purport to be, and is not, a complete description of all aspects of the Swedish legislative and regulatory framework for covered bonds. Please also refer to “Risk factors – Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme – Risks related to Covered Bonds”.*

### Introduction

The Covered Bond Act entered into force on 1st July, 2004. It enables Swedish banks and credit market companies (**Institutions**), which have been granted a specific licence by the SFSA, to issue full-recourse debt instruments secured by a pool of mortgage credits and/or public sector credits.

The SFSA has issued regulations and recommendations under the authority conferred on it by the Covered Bond Act (*Finansinspektionens föreskrifter och allmänna råd om säkerställda obligationer (FFFS 2004:11)*) (the **2004 SFSA Regulations**). Swedish covered bonds may take the form of bonds and other comparable debt instruments, such as commercial paper.

In the event of an Institution’s bankruptcy, holders of covered bonds (and certain eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the Cover Pool with those of the covered bonds) benefit from a priority claim over the Cover Pool. The Covered Bond Act also enables such holders (and derivative counterparties) to continue to receive timely payments following the Institution’s bankruptcy, subject to certain conditions being met.

### Registration

Information in respect of all covered bonds, assets in the Cover Pool and relevant derivative contracts must be entered into a special register (the **Special Register**), which is maintained by the Institution. The actual registration of the covered bonds and relevant derivative contracts in the Special Register is necessary to confer the priority claim over the Cover Pool. Conversely, only assets entered into the Special Register form part of the Cover Pool.

The Special Register must at all times show the nominal value of the covered bonds, the Cover Pool and the relevant derivative contracts. As a result, the Special Register requires regular updating, including without limitation due to changes in interest rates, interest periods, outstanding debt and the composition of the Cover Pool. The value of the underlying collateral securing mortgage credits in the Cover Pool must also be entered into the Special Register.

The Covered Bond Act does not prevent Institutions from supplementing and substituting assets in the Cover Pool.

### Eligible Assets for the Cover Pool

The Cover Pool may consist of certain mortgage credits, public credits and supplemental assets.

Mortgage credits are defined as loans secured by:

- mortgages over real property (*fastigheter*) intended for residential, agricultural, office or commercial purposes or site leasehold rights (*tomträtter*) intended for residential, office or commercial purposes;
- pledges over tenant-owned apartments (*bostadsrätter*); or
- comparable security interests over equivalent assets situated in other countries within the EEA.

Public credits are defined as certain loans to (or guaranteed by) *inter alia* the Kingdom of Sweden, Swedish municipalities and comparable public bodies, the European Communities, certain foreign states and central banks and certain foreign municipalities and comparable public bodies with powers of taxation.

Supplemental assets consist primarily of government bonds and cash, although the SFSA may also authorise certain debt instruments issued by credit institutions and other bodies to be used as supplemental assets.

## Valuation and LTV Ratios

For mortgage credits, there is a maximum loan amount which may be included in the Cover Pool, depending on the value of the underlying collateral:

- for residential collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 75 per cent. of the market value of the collateral;
- for agricultural collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 70 per cent. of the market value of the collateral; and
- for office or commercial collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 60 per cent. of the market value of the collateral.

Should a loan exceed the relevant ratio, only the part of the loan that falls within the permitted limit may be included in the cover pool (a **Partly Eligible Loan**). The Covered Bond Act does not explicitly regulate how proceeds in respect of a Partly Eligible Loan shall be distributed between the eligible and the non-eligible parts of the loan.

The most likely interpretation is that interest payments shall be allocated pro rata between the eligible and non-eligible parts of the loan and that amortisations shall be applied first towards the non-eligible part of the loan (absent enforcement of the security over the underlying collateral). However, proceeds from enforcement of the security should most likely be applied first towards the eligible part of the loan.

A similar situation arises if, for example, the same mortgage serves as first-ranking security for two (or more) loans granted by an Institution and only one of these loans is included in the cover pool. The Covered Bond Act does not give clear guidance as to how proceeds shall be allocated between the two loans in case of the Institution's bankruptcy. The lack of guidance may give room for unsecured creditors of the Institution to argue that only a pro rata portion of such proceeds shall be allocated to the loan included in the cover pool.

The Covered Bond Act restricts the overall proportion of loans provided against security over real property (or site leasehold rights or tenant-owner rights) intended for office or commercial purposes to 10 per cent. of an Institution's Cover Pool.

Furthermore, the proportion of supplemental assets may not exceed 20 per cent. of the Cover Pool, although the SFSa has the authority to raise this limit to 30 per cent. for a limited period of time provided there is a reason for the increase.

Institutions are required to regularly monitor the market value of the mortgage assets that serve as collateral for loans included in the Cover Pool. If the market value of a mortgage asset declines significantly, then only the part of the loan that falls within the permitted loan-to-value ratio will be eligible for inclusion in the Cover Pool and will be subject to the priority right described below. The Covered Bond Act does not define when a decline would be considered significant but it is generally believed that a decline of 15 per cent. or more would satisfy this requirement. However, a decline in the market value following an Institution's bankruptcy would not result in a reduction of the assets to which holders of covered bonds (and relevant derivative counterparties) have a priority right, but may result in the Cover Pool ceasing to meet the matching requirements.

## Matching Requirements

The Covered Bond Act prescribes that the value of the Cover Pool shall at all times exceed the aggregate value of claims that may be asserted against an Institution by reference to covered bonds by an aggregate value of at least two per cent. The calculation shall be made on the basis of current book values and shall take into account the effect of relevant derivative contracts.

Furthermore, an Institution must compose the Cover Pool in such a way as to ensure a sound balance between the covered bonds and the assets in the Cover Pool in terms of currency, interest rate and maturity profile. Such sound balance is deemed to exist when the present value of the Cover Pool at all times exceeds the present value of the liabilities relating to the covered bonds. The present value of derivative contracts shall be taken into account for the purposes of such calculation. The calculations of present value shall withstand certain stress tests (changes in interest rates and/or currency exchange rates).



The payment flows relating to the assets in the Cover Pool, derivative contracts and covered bonds shall be such that an Institution is at all times able to perform its payment obligations towards holders of covered bonds and relevant derivative counterparties.

Non-performing assets in the Cover Pool which are more than 60 days overdue must be disregarded for the purposes of the matching tests.

### **Supervision by the SFSA and the Independent Inspector**

The SFSA monitors that an Institution complies with the Covered Bond Act and other provisions of the legislative and regulatory framework which regulates the business of the Institution. In addition, the SFSA appoints an independent inspector (*oberoende granskare*) for each Institution that issues covered bonds.

The independent inspector is responsible for monitoring the Special Register to assess whether or not it is being maintained correctly and in compliance with the Covered Bond Act and the 2004 SFSA Regulations. In particular, the independent inspector is required to verify that:

- covered bonds and relevant derivative contracts are registered in the Special Register;
- only loans and supplemental assets that satisfy the eligibility criteria are included in the Cover Pool and registered in the Special Register;
- the valuations of the underlying collateral for loans in the Cover Pool are in accordance with the Covered Bond Act and the 2004 SFSA Regulations;
- mortgage loans the underlying collateral of which has decreased significantly in value are, for the purpose of the matching requirements, deducted from the Cover Pool to the extent necessary to comply with the relevant loan-to-value ratio; and
- the matching requirements are complied with.

The independent inspector is entitled to request information from the Institution and to conduct site visits and is required to report regularly and at least once a year to the SFSA. The Covered Bond Act does not provide for any change to the independent inspector's remit upon the bankruptcy of an Institution.

### **The New SFSA Covered Bond Regulations**

The 2004 SFSA Regulations were replaced on 1st July, 2013 with new regulations and recommendations from the SFSA (*Finansinspektionens föreskrifter och allmänna råd om säkerställda obligationer (FFFS 2013:1)*) (the **2013 Regulations**). The 2013 Regulations repeat much of the 2004 SFSA Regulations but also contain some new rules as well as some clarifications of existing rules. Among others, an Institution will be permitted to make upward revaluations of the Cover Pool (which has not previously been regulated or considered possible) in limited and well-documented circumstances and, if it uses this right, it must also make corresponding downwards revaluations when relevant. These adjustments shall be made when the change in the value downwards is less than 15 per cent. (which is considered "a material change" and is the threshold for which a downward adjustment is required to be made under the 2004 SFSA Regulations). In addition, an Institution will be required to undertake sensitivity (or "stress") tests regularly and at least once a year with respect to possible future changes in market values of the assets secured on mortgages in the Cover Pool. The tests must be based on assumptions of reduced market values of between 5 per cent. and 30 per cent. and the Institution must also inform the SFSA of actions that it could undertake to improve the matching between assets in the Cover Pool and the covered bond liabilities in circumstances of reduced asset values. The 2013 Regulations further clarify the credit rating requirements on derivative counterparties and there are also some clarifications with respect to the present value calculations required for the matching between the nominal value of the Cover Pool and the nominal value of the liabilities under the covered bonds. The 2013 Regulations also require the appointed independent inspector of an Institution's covered bond programme to use a more "risk-based approach" in its inspection of the Institution's compliance with the rules and regulations.

### **Benefit of a Priority Right over the Cover Pool**

Pursuant to the Covered Bond Act and the Swedish Preferential Rights of Creditors Act (*förmånsrättslagen (1970: 979)*), holders of covered bonds benefit from a priority claim over the Cover Pool should the Institution be declared bankrupt (*försatt i konkurs*). The same priority is awarded to the Institution's eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the Cover

Pool with those of the covered bonds. Such derivative counterparties and the holders of covered bonds rank *pari passu* with joint seniority in relation to the Cover Pool.

By virtue of this priority, holders of covered bonds and relevant derivative counterparties rank ahead of unsecured creditors and all other creditors of the Institution in respect of assets in the Cover Pool (except the administrator-in-bankruptcy as regards fees for his administration of assets in the Cover Pool and costs for the administration). The priority claim also covers cash received by an Institution and deriving from the Cover Pool or relevant derivative contracts, provided that certain administrative procedures have been complied with.

### **Administration of the Cover Pool in the Event of Bankruptcy**

Should an Institution be declared bankrupt, at least one administrator-in-bankruptcy would be appointed by the bankruptcy court and one administrator-in-bankruptcy would be appointed by the SFSA. The administrators-in-bankruptcy would take over the administration of the bankruptcy estate, including the Cover Pool.

Provided that (and as long as) the Cover Pool meets the requirements of the Covered Bond Act (including the matching requirements), the assets in the Cover Pool, the covered bonds and any relevant derivative contracts that have been entered into the Register are required to be maintained as a unit and kept segregated from other assets and liabilities of the bankruptcy estate of the Institution. The administrators-in-bankruptcy are then required to procure the continued timely service of payments due under the covered bonds and any relevant derivative contracts. Consequently, the bankruptcy would not as such result in early repayment or suspension of payments to holders of covered bonds or to counterparties to derivative contracts, so long as the Cover Pool continues to meet the requirements of the Covered Bond Act.

Upon an Institution's bankruptcy, neither the Institution nor its bankruptcy estate would have the ability to issue further covered bonds. However, the Covered Bond Act gives the administrators-in-bankruptcy a broad mandate to enter into loan, derivative, repo and other transactions on behalf of the bankruptcy estate with a view to attaining matching of cash flows, currencies, interest rates and interest periods between assets in the Cover Pool, covered bonds and derivative contracts. Counterparties in such transactions will rank senior to holders of covered bonds and derivative counterparties. The administrators-in-bankruptcy may also raise liquidity, for example, by selling assets in the Cover Pool in the market.

If, however, the Cover Pool ceases to meet the requirements of the Covered Bond Act, and the deviations are not just temporary and minor, the Cover Pool may no longer be maintained as a unit and the continuous payment under the terms and conditions of the covered bonds and derivative contracts will cease. The holders of covered bonds and counterparties to derivative contracts would in such case instead benefit from a priority claim over the proceeds of a sale of the assets in the Cover Pool in accordance with general bankruptcy rules. This could result in the holders of covered bonds receiving payment according to a schedule that is different from that contemplated by the terms and conditions of the covered bonds (with accelerations as well as delays) or that the holders of covered bonds are not paid in full. However, the holders of covered bonds and derivative counterparties would retain the benefit of the right of priority to the assets comprised in the Cover Pool. Any residual claims of the holders of covered bonds and derivative counterparties remain valid claims against the Institution, but will rank *pari passu* with other unsecured and unsubordinated claims.

### **EU legislative amendments**

On 7th January 2020, Regulation (EU) 2019/2160 amending Regulation (EU) No 575/2013 (as regards exposures in the form of covered bonds) and Directive (EU) 2019/2162 amending Directives 2009/65/EC and 2014/59/EU (on the issue of covered bonds and covered bond public supervision) came into force and is required to be implemented in Sweden by 8th July, 2022. This will require certain changes to the current legislative framework governing covered bonds. Implementation of this legislation will impose new requirements on issuers such as, among other things, a new liquidity buffer requirement of 180 days and stricter requirements for exercise of extendable maturity (referred to as 'soft bullet') rights by SEB.

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, and Clearstream, Luxembourg (together, the **Clearing Systems**) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Bank, the Fiscal Agent or any other agent party to the Fiscal Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### DTC

DTC is a limited purpose trust company organised under the laws of the State of New York, a member of the United States Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities among its participants and to facilitate the clearance and settlement of securities transactions among participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movements of security certificates. Participants include securities brokers and dealers, banks, trust companies and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation (**DTCC**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to DTC is available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant either directly or indirectly. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org) but such information is not incorporated by reference in and does not form part of this Information Memorandum.

DTC will take any action permitted to be taken by the holder of a beneficial interest in a Registered Global Note (including, without limitation, the presentation of a Registered Global Note for exchange as described above) only at the direction of one or more participants to whose account with DTC interests in such Registered Global Note are credited and only in respect of such portion of the aggregate nominal amount of Notes in respect of which such participant or participants has or have given such direction. If an Event of Default under the Notes occurs, DTC will exchange the Registered Global Notes for definitive Registered Notes, legended as appropriate, which it will distribute to the relevant participants.

### Clearstream, Luxembourg and Euroclear

Clearstream, Luxembourg and Euroclear each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Clearstream, Luxembourg and Euroclear provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Clearstream, Luxembourg and Euroclear participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Clearstream, Luxembourg or Euroclear is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with Clearstream, Luxembourg or Euroclear participants, either directly or indirectly.

Payments with respect to book-entry interests in the Global Notes held indirectly through Clearstream, Luxembourg or Euroclear will be credited to the cash accounts of Clearstream, Luxembourg or Euroclear participants in accordance with the relevant system’s rules and procedures.

### Book-Entry Ownership of Registered Global Notes

The Bank may make application to DTC for acceptance in its book-entry settlement system of any Tranche of Notes represented by a Regulation S Global Note and/or a Rule 144A Global Note, respectively.

The custodian with whom any Registered Global Notes are deposited (the **Custodian**) and DTC will electronically record the nominal amount of the Notes represented by such Registered Global Notes held within the DTC system. Prior to expiry of the Distribution Compliance Period applicable to any Tranche of Notes, investors may hold their interests in a Regulation S Global Note only through Clearstream, Luxembourg or

Euroclear, Clearstream, Luxembourg and Euroclear will hold interests in the Regulation S Global Note on behalf of their accountholders through customers' securities accounts in Clearstream, Luxembourg's or Euroclear's respective names on the books of their respective depositaries, which in turn will hold interests in the Regulation S Global Notes in customers' securities accounts in the depositaries' names on the books of DTC. Investors may hold their interests in a Rule 144A Global Note or in a Regulation S Global Note (only after the expiry of the Distribution Compliance Period) directly through DTC if they are participants in such system, or indirectly through organisations which are participants in such system. Payments of principal and interest in respect of Registered Global Notes registered in the name of DTC's nominee will be to or to the order of its nominee as the registered holder of such Registered Global Note. The Bank expects that the nominee will, upon receipt of any such payment, immediately credit DTC participants' accounts with any such payments denominated in U.S. dollars in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Registered Global Note as shown on the records of DTC or the nominee. In the case of any such payments which are denominated otherwise than in U.S. dollars, payment of such amounts will be made to the Fiscal Agent on behalf of the nominee who will make payment of all or part of the amount to the beneficial holders of interests in such Registered Global Note directly, in the currency in which such payment was made and/or cause all or part of such payment to be converted into U.S. dollars and credited to the relevant participant's DTC account as aforesaid, in accordance with instructions received from DTC. The Bank also expects that payments by DTC participants to owners of beneficial interests in any Registered Global Note held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. Neither the Bank nor any agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such ownership interests.

#### **Transfers of Notes represented by Registered Global Notes**

Transfers of interests in Registered Global Notes within DTC, Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant system. The laws in some states in the United States of America require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer a beneficial interest in a Registered Global Note to such persons may require that such interests be exchanged for Notes in definitive form. Because DTC can only act on behalf of participants in DTC, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Registered Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest may require that such interests be exchanged for Definitive Registered Notes. The ability of the holder of a beneficial interest in any Registered Note represented by the Registered Global Notes to resell, pledge or otherwise transfer such interest may also be impaired if the proposed transferee of such interest is not eligible to hold the same through a participant or indirect participant in DTC.

#### **Bearer Notes**

Bearer Notes held outside the United States of America may be held in book-entry form through Clearstream, Luxembourg or Euroclear. Clearstream, Luxembourg and Euroclear will operate with respect to the Notes in accordance with customary Euromarket practice.

## NOTICE TO PURCHASERS AND HOLDERS OF NOTES AND TRANSFER RESTRICTIONS

*As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.*

Each prospective purchaser of Legended Notes, by accepting delivery of this Information Memorandum, will be deemed to have represented and agreed as follows:

- (1) Such offeree acknowledges that this Information Memorandum is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Information Memorandum, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Bank, is prohibited.
- (2) Such offeree agrees to make no photocopies of this Information Memorandum or any documents referred to herein.

Each purchaser of an interest in a Note offered and sold in reliance on Rule 144A (a **Rule 144A Note**) will be deemed to have represented and agreed as follows (terms used in this paragraph that are not defined herein will have the meanings given to them in Rule 144A or in Regulation S, as the case may be):

- (a) The purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring Notes for its own account or for the account of a QIB;
- (b) The purchaser understands that such Rule 144A Note is being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Rule 144A Note has not been and will not be registered under the Securities Act or any other applicable securities law and may not be offered, sold or otherwise transferred unless registered pursuant to or exempt from registration under the Securities Act or any other applicable securities law; and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Rule 144A Note, such Rule 144A Note may be offered, sold, pledged or otherwise transferred only (A) to a person who the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (B) in an offshore transaction in accordance with Regulation S or (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and in each of such cases in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and that (ii) the purchaser will, and each subsequent holder of the Rule 144A Note is required to, notify any purchaser of such Rule 144A Note from it of the resale restrictions referred to in (i) above and that (iii) no representation can be made as to the availability of the exemption provided by Rule 144A under the Securities Act for resale of Notes.
- (c) Each Rule 144A Note will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Bank determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE BANK AND THE DEALERS THAT (A) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND

THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

## TAXATION

### SWEDISH TAXATION

*The following is a general description of certain Swedish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amount under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the laws as in effect on the date of the Information Memorandum and is subject to any change in law that may take effect after such date.*

Under Swedish tax law payment of any principal or interest to the holder of any Notes is normally not subject to Swedish income tax, provided that such holder is not tax resident in Sweden. A person is resident in Sweden if he (a) is domiciled in Sweden or (b) has his habitual abode in Sweden or (c) earlier has been domiciled in Sweden and after having moved abroad continues to have an essential connection with Sweden (for example is engaged in trade or business in Sweden). A person can also be liable to tax in Sweden if engaged in trade or business through a permanent establishment in Sweden. Holders of Notes are not deemed to be resident, domiciled or carrying on business in Sweden by reason only of holding such Notes.

Swedish tax law does not provide for the deduction of or withholding from payments of any principal or interest to the holder of any Notes except on payments of interest to a holder who is an individual or an estate of a deceased individual with tax residence in Sweden. In such case deduction of 30 per cent. is made from any interest payments.

Holders of Notes who are not tax resident in Sweden are normally not taxable in Sweden for gains realised on disposal or redemption of the Notes. However, individuals who are not tax resident in Sweden may be subject to capital gains taxation in Sweden. This is the case where the Notes qualify as participation rights (*Sw.delägar rätt*) and provided that the holder, at any time during the calendar year when the sale or redemption occurs, or during the preceding ten calendar years, has been domiciled or permanently resident in Sweden. In many cases, however, the applicability of this rule is limited by tax treaties between Sweden and other countries.

In principle, securities may be regarded as participation rights for tax purposes where the structure or mode of operation of the securities are similar to shares or other securities specifically mentioned in the tax code. The qualification will be made on a case-by-case basis, but Notes may qualify as participation rights in a case where more than 50 per cent. of the underlying assets comprise shares or other participation rights.

No inheritance tax, gift tax or net wealth tax is levied in Sweden.

### THE PROPOSED FINANCIAL TRANSACTIONS TAX

On 14th February, 2013, the European Commission published a proposal (the **Commission's FTT Proposal**) for a Directive for a common financial transactions tax (the **FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Commission's FTT Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's FTT Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## FOREIGN ACCOUNT TAX COMPLIANCE WITHHOLDING

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Bank is a foreign financial institution for these purposes. A number of jurisdictions (including Sweden have entered into, or have agreed in substance to, intergovernmental agreements with the United States of America to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution (as defined by FATCA) in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulation defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## TAIWAN TAXATION

### Interest on the Notes

As the issuer of the Notes is not a Taiwanese statutory tax withholder, there is no Taiwanese withholding tax on the interest or deemed interest to be paid on the Notes.

Payments of interest or deemed interest under the Notes to a Taiwanese individual holder are not subject to Taiwan income tax as such payments received by them are not considered to be Taiwan-sourced income. However, such holder must include the interest or deemed interest in calculating their basic income for the purpose of calculating their alternative minimum tax (**AMT**), unless the sum of the interest or deemed interest and other non-Taiwan-sourced income received by such holder and the person(s) who is (are) required to jointly file the tax return in a calendar year is below 1 million New Taiwan Dollar (**NT\$**). If the amount of the AMT exceeds the annual income tax calculated pursuant to the Republic of China Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder's AMT payable.

Taiwanese corporate holders must include the interest receivable or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 17 per cent. (unless the total taxable income for a fiscal year is under NT\$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

### Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax (**STT**) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of Taiwan prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1st January, 2010 to 31st December, 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31st December, 2026. Starting from 1st January, 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, Taiwanese individual and corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. In addition, Taiwanese individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, Taiwanese corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the AMT Act, the excess becomes the Taiwanese corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over five years to offset against capital gains of the same category of income for the purposes of calculating their AMT.



## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Bank to any one or more of BofA Securities Europe SA, Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, Natixis, NatWest Markets Plc, Skandinaviska Enskilda Banken AB (publ), Société Générale, UBS Europe SE and UniCredit Bank AG (the **Dealers**) or to any other person. The arrangements under which Notes may from time to time be agreed to be sold by the Bank to, and purchased by, Dealers are set out in an Amended and Restated Dealership Agreement dated 26th June, 2020 (the **Dealership Agreement** which expression shall include any amendments or supplements thereto) and made between the Bank and the Dealers. Any such agreement will *inter alia* make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Bank in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of existing Dealers and the appointment of additional or other Dealers.

### The United States of America

Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S or in certain transactions exempt from the registration requirements of the Securities Act, including Rule 144A. Terms used in the preceding sentence have the meaning given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealership Agreement, it has not offered, sold or delivered and will not offer, sell or deliver Notes of any identifiable tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of issue of the relevant Notes and completion of the distribution of such tranche within the United States or to or for the account or benefit of U.S. persons, and it will have sent to each Dealer to which it sells Notes during the Distribution Compliance Period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

Accordingly, neither the Dealers, their affiliates (if any) nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes and the Dealers, their affiliates (if any) and any person acting on their behalf have complied with the offering restrictions of Regulation S.

In addition, until 40 days after the commencement of the offering of Notes comprising any Series, any offer or sale of Notes of such Series within the United States by a Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

Notwithstanding the foregoing, Dealers nominated by the Bank may arrange for the offer and sale of Registered Notes in the United States pursuant to Rule 144A under the Securities Act. Each purchaser of such Notes is hereby notified that the offer and sale of such Notes may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

### Prohibition of sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, 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, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Final Terms in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA and the UK (each, a **Relevant State**), 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 made and will not make an offer of Notes which are the subject of the offering contemplated by the Information Memorandum as completed by the final terms in relation thereto to the public in that Relevant State, except that it may make an offer of such Notes to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Bank for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

### The United Kingdom

In relation to each Tranche of Notes, each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, to the Bank and each other relevant Dealer (if any) that:

- (1) *Financial Promotion*: 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 Financial Services and Markets Act 2000, as amended (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 would not, if it was not an authorised institution, apply to the Bank; and
- (2) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### 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**) and 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, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949), as amended), 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 any other applicable laws, regulations and ministerial guidelines of Japan.

### **Hong Kong**

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**), other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “Prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **Companies Ordinance**) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

### **The PRC**

Each of the Dealers 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 has offered or sold and may not offer or sell any of the Notes, directly or indirectly, in the PRC, except as permitted by the securities laws of the PRC.

### **Singapore**

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. 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 offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and it will not offer or sell any Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) of the SFA or Section 276(4)(i)(B) of the SFA;

- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) pursuant to Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

**Notification under Section 309B(1)(c) of the SFA** – Unless otherwise stated in the applicable Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## Taiwan

- (a) Subject to paragraph (b) below, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Notes (i) have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of the Republic of China (the “ROC”) and/or other regulatory authority of the ROC pursuant to the relevant securities laws and regulations and (ii) may not be offered, issued or sold within the ROC through a public offering or in circumstances that constitute an offer within the meaning of the Securities and Exchange Act of the ROC or any other relevant laws and regulations that require a registration or filing with, or approval of, the Financial Supervisory Commission of the ROC and/or other regulatory authority of the ROC. No person or entity in the ROC has been authorised to offer or sell the Notes in the ROC.
- (b) In the case of Notes to be listed on the Taipei Exchange in Taiwan pursuant to the Rules Governing Management of Foreign Currency Denominated International Bonds of the Taipei Exchange, the selling restriction contained in the paragraph (a) above shall not be applicable and the following selling restriction shall apply instead: “Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to be represent and agree that the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, in Taiwan, to investors other than “professional institutional investors” as defined in Paragraph 2, Article 19-7 of the Regulations Governing Securities Firms of Taiwan”.

## France

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) Offer to the public in France:

It has only made and will only make an offer of Notes to the public in France following the notification of the approval of this Information Memorandum to the *Autorité des marchés financiers (AMF)* by the CBI and in the period beginning on the date of the publication of the Final Terms relating to the offer of Notes and ending at the latest on the date which is 12 months after the date of the approval of this Information Memorandum by the CBI, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

- (b) Private placement in France:

It has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Information Memorandum, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); (b) qualified investors (*investisseurs qualifiés*) acting for their own account (other than individuals) and/or (c) a restricted group of investors (*cercle restreint d'investisseurs*) all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

## **General**

With the exception of the approval by the CBI of this Information Memorandum as a base prospectus issued in compliance with the Prospectus Regulation and the relevant implementing measures in Ireland, and other than with respect to the listing of the Notes on the relevant stock exchange, listing authority and/or quotation system, no action has been or will be taken in any country or jurisdiction by the Bank or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Information Memorandum or any Final Terms comes are required by the Bank and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the preceding paragraph.

## GENERAL INFORMATION

1. Application has been made to Euronext Dublin for Notes issued under the Programme to be admitted to the Official List and trading on its Regulated Market.
2. The establishment of the Programme was authorised by a resolution of the Board of the Bank at a meeting held on 20th August, 1991.
3. Neither the Bank nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Bank or the Group.
4. Since 31st March, 2020, the last day of the financial period in respect of which the most recent unaudited interim financial statements of the Bank have been published, there has been no significant change in the financial performance or position of the Bank or the Group, nor, since 31st December, 2019, the last day of the financial period in respect of which the most recent audited financial statements have been published, save as disclosed in this Information Memorandum in the sections entitled "*Risk Factors – Factors that may affect the Bank's ability to fulfil its obligations under Notes issued under the Programme – Risk Factors related to the Markets and Economies in which SEB operates – The outbreak of COVID-19 has impacted and is expected to further adversely impact SEB and its customers, counterparties, employees, and third-party service providers, and could have a material adverse effect on SEB's business, financial position, results of operations, and prospects*" and "*Skandinaviska Enskilda Banken AB (publ) – Recent Developments – The impact of the COVID-19 pandemic on SEB*" on pages 12 to 13 and on pages 125 to 126, respectively, has there been any material adverse change in the prospects of the Bank or the Group.

The consolidated and non-consolidated financial statements of the Bank for the year ended 31st December, 2018 have been prepared in accordance with IFRS and have been audited by PricewaterhouseCoopers AB in accordance with generally accepted auditing standards in Sweden and unqualified opinions have been reported thereon. For the financial year ended 31st December, 2018 the Bank's Independent Auditors appointed by its shareholders at the relevant annual general meeting were PricewaterhouseCoopers AB. PricewaterhouseCoopers AB is associated with FAR SRS, the professional institute for authorised public accountants, approved public accountants and other highly qualified professionals in the accountancy sector in Sweden.

5. The consolidated and non-consolidated financial statements of the Bank for the year ended 31st December, 2019 have been prepared in accordance with IFRS and have been audited by Ernst & Young AB in accordance with generally accepted auditing standards in Sweden and unqualified opinions have been reported thereon. For the financial year ended 31st December, 2019 the Bank's Independent Auditors appointed by its shareholders at the relevant annual general meeting were Ernst & Young AB. is associated with FAR, the professional institute for authorised public accountants, approved public accountants and other highly qualified professionals in the accountancy sector in Sweden.
6. During the life of the Programme, copies and, where appropriate, English translations of the following documents may be inspected in physical form during normal business hours at the specified office of the Fiscal Agent and Principal Registrar and at the principal office of the Bank, namely at <https://sebgroup.com/investor-relations/debt-investors/debt-programmes> and, in the case of (a) at: <https://sebgroup.com/about-seb/corporate-governance>:
  - (a) the Articles of Association of the Bank, together with an English translation thereof;
  - (b) a copy of this Information Memorandum;
  - (c) the Fiscal Agency Agreement (which includes the forms of the Global Notes and the Definitive Notes);
  - (d) the Deed of Covenant;
  - (e) the Deed Poll; and

- (f) any future Information Memoranda, prospectuses, offering circulars, supplements and Final Terms and any other documents or information incorporated herein or therein by reference.
7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, ISIN, CUSIP and/or CINS and, if applicable, FISN and/or CFI code in relation to the Notes of each Series and any other clearing system as shall have accepted the relevant Notes for clearance will be contained in the Final Terms relating thereto.
- The Bank may make an application with respect to each Series of Notes in registered form for such Notes to be accepted for trading in book-entry form by DTC. All payments of principal and interest with respect to Notes denominated in any currency other than U.S. Dollars and registered in the name of the nominee for DTC will be converted into U.S. Dollars unless the relevant participants in DTC elect to receive such payments of principal or interest in that other currency. Acceptance of each Series of Notes for trading through DTC will be confirmed in the Final Terms relating thereto.
- The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is Clearstream Banking, S.A. 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and the address of DTC is The Depository Trust Company, 55 Water Street, 25th Floor, New York, NY 10041-0099, United States of America.
8. The price and amount of Notes to be issued under the Programme will be determined by the Bank and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
9. In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms.
10. The Legal Entity Identifier (LEI) of the Bank is F3JS33DEI6XQ4ZBPTN86.
11. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Bank and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Bank and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.
- In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Bank or the Bank's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Bank routinely hedge their credit exposure to the Bank consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
12. The language of this Information Memorandum is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Information Memorandum.

## REGISTERED AND PRINCIPAL OFFICE OF THE BANK

### Skandinaviska Enskilda Banken AB (publ)

Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Kingdom of Sweden  
Telephone number: +46 8 763 8000

## INDEPENDENT AUDITORS

### For the year ended 2018

#### PricewaterhouseCoopers AB

Torsgatan 21  
SE-113 97 Stockholm  
Kingdom of Sweden

### For the year ended 2019 and for 2020

#### Ernst & Young AB

Jakobsbergsgatan 24  
SE-103 99 Stockholm  
Kingdom of Sweden

## DEALERS

#### BofA Securities Europe SA

51 Rue La Boétie  
75008 Paris  
France

#### Barclays Bank Ireland PLC

One Molesworth Street  
Dublin 2, D02 RF29  
Ireland

#### Barclays Bank PLC

5 The North Colonnade  
Canary Wharf  
London E14 4BB

#### BNP Paribas

20, boulevard des Italiens  
75009 Paris  
France

#### Citigroup Global Markets Europe AG

Reuterweg 16  
60323 Frankfurt am Main  
Federal Republic of Germany

#### Citigroup Global Markets Limited

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

#### Commerzbank Aktiengesellschaft

Kaiserstrasse 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Federal Republic of Germany

#### Crédit Agricole Corporate and Investment Bank

12, Place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

#### Credit Suisse Securities (Europe) Limited

One Cabot Square  
London E14 4QJ

#### Deutsche Bank Aktiengesellschaft

Mainzer Landstrasse 11-17  
60 329 Frankfurt am Main  
Federal Republic of Germany

#### Goldman Sachs International

Plumtree Court  
25 Shoe Lane  
London EC4A 4AU

#### HSBC Bank plc

8 Canada Square  
London E14 5HQ

#### J.P. Morgan Securities plc

25 Bank Street  
London E14 5JP

#### Morgan Stanley & Co. International plc

25 Cabot Square  
Canary Wharf  
London E14 4QA

#### NATIXIS

30 Avenue Pierre Mendès France  
75013 Paris  
France

#### NatWest Markets Plc

250 Bishopsgate  
London EC2M 4AA

#### Skandinaviska Enskilda Banken AB (publ)

#### Société Générale



Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Kingdom of Sweden

**UBS Europe SE**  
Bockenheimer Landstrasse 2-4  
60306 Frankfurt am Main  
Federal Republic of Germany

29 Boulevard Haussmann  
75009 Paris  
France

**UniCredit Bank AG**  
Arabellastrasse 12  
81925 Munich  
Federal Republic of Germany

#### **FISCAL AGENT AND PRINCIPAL REGISTRAR**

**Citibank N.A., London Branch**  
14th Floor  
Citigroup Centre  
25 Canada Square  
Canary Wharf  
London E14 5LB

#### **ALTERNATIVE REGISTRAR** **Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt am Main  
Federal Republic of Germany

#### **PAYING AGENTS**

**Citibank N.A., London Branch**  
14th Floor  
Citigroup Centre  
25 Canada Square  
Canary Wharf  
London E14 5LB

**Citibank Europe plc**  
1 North Wall Quay  
Dublin 1  
Ireland

21-25 rue Balzac  
75406  
Paris CEDEX 08  
France

#### **LEGAL ADVISERS**

*To the Bank as to Swedish law*  
**Jan Dahlén**  
**Skandinaviska Enskilda Banken AB (publ)**  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Kingdom of Sweden

*To the Bank as to English law*  
**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD

*To the Dealers as to English law*  
**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ

**LISTING AGENT**  
**McCann FitzGerald Listing Services Limited**  
Sir John Rogerson's Quay  
Riverside One  
Dublin 2  
Ireland

0017972-0000156 UKO2: 1181705576.21