



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).

This Information Memorandum has been approved by the Central Bank of Ireland (the **CBI**) as competent authority under the Prospectus Directive (as defined below). The CBI only approves this Information Memorandum as meeting the requirements imposed under Irish and European Union (**EU**) law pursuant to the Prospectus Directive. Such approval relates only to Notes that are to be admitted to trading on the regulated market of the Irish Stock Exchange (the **Main Securities Market**) or on another regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**) or that are to be offered to the public in any Member State of the European Economic Area (the **EEA**). Application has been made to the Irish Stock Exchange plc (the **Irish Stock Exchange**) 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 Main Securities Market. The Main Securities Market is a regulated market for the purposes of the Markets in Financial Instruments Directive.

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 Main Securities Market. This Information Memorandum supersedes the Information Memorandum dated 22nd June, 2015.

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 depositary 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 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 and any other jurisdiction.

The Bank has been rated A+ by Standard & Poor’s Credit Market Services Europe Limited (**S&P**), Aa3 by Moody’s Investors Services Limited (**Moody’s**) and AA- by Fitch Ratings Limited (**Fitch**). Each of S&P, Moody’s and Fitch is established in the European Union 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 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.

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*Arranger for the Programme*

**SEB**

*Dealers*

**Barclays**  
**Citigroup**  
**Credit Suisse**  
**HSBC**  
**NATIXIS**

**BNP PARIBAS**  
**Commerzbank**  
**Deutsche Bank**  
**J.P. Morgan**  
**SEB**

**BofA Merrill Lynch**  
**Crédit Agricole CIB**  
**Goldman Sachs International**  
**Morgan Stanley**  
**Société Générale Corporate & Investment Banking**  
**UniCredit Bank**

**The Royal Bank of Scotland**

**UBS Investment Bank**

21st June, 2016

This Information Memorandum comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. When used in this Information Memorandum, **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the EEA.

The Bank accepts responsibility for the information contained in this document and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this document 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*”).

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 INFORMATION RELATING TO NON-EXEMPT OFFERS OF NOTES**

### **Restrictions on Non-exempt Offers of Notes in relevant Member States**

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a **Non-exempt Offer**. This Information Memorandum has been prepared on a basis that permits Non-exempt Offers of Notes in each Member State in relation to which the Bank has given its consent, as specified in the applicable Final Terms (each specified Member State a **Non-exempt Offer Jurisdiction** and together the **Non-exempt Offer Jurisdictions**). Any person making or intending to make a Non-exempt Offer of Notes on the basis of this Information Memorandum must do so only with the Bank’s consent to the use of this Information Memorandum as provided under “*Consent given in accordance with Article 3.2 of the Prospectus Directive*” below and provided such person complies with the conditions attached to that consent.

### **Consent given in accordance with Article 3.2 of the Prospectus Directive**

In the context of a Non-exempt Offer of Notes, the Bank accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Information Memorandum in relation to any person (an **Investor**) who purchases any Notes in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below),

where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of consent for the use of this Information Memorandum are complied with. The consent and conditions attached to it are set out under “*Consent*” and “*Common Conditions to Consent*” below.

None of the Bank or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Bank or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

**Except in the circumstances set out in the following paragraphs, the Bank has not authorised the making of any Non-exempt Offer by any offeror and the Bank has not consented to the use of this Information Memorandum by any other person in connection with any Non-exempt Offer of Notes. Any Non-exempt Offer made without the consent of the Bank is unauthorised and neither the Bank nor any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.**

If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Information Memorandum for the purposes of the relevant Non-Exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Information Memorandum and/or who is responsible for its contents, it should take legal advice.

The financial intermediaries referred to in paragraphs (i)(b), (i)(c) and (ii) below are together the **Authorised Offerors** and each an **Authorised Offeror**.

#### ***Consent***

In connection with each Tranche of Notes and subject to the conditions set out below under “*Common Conditions to Consent*”:

#### ***Specific Consent***

- (i) the Bank consents to the use of this Information Memorandum (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Notes by:
  - (a) the relevant Dealer(s) or Manager(s) specified in the applicable Final Terms;
  - (b) any financial intermediaries specified in the applicable Final Terms; and
  - (c) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Bank’s website (<http://sebgroup.com/investor-relations>) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer; and

#### ***General Consent***

- (ii) if (and only if) Part B of the applicable Final Terms specifies “General Consent” as “Applicable”, the Bank hereby offers to grant its consent to the use of this Information Memorandum (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Notes by any other financial intermediary which satisfies the following conditions:
  - (a) it is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC); and
  - (b) it accepts the Bank’s offer to grant consent to the use of this Information Memorandum by publishing on its website the following statement (with the information in square brackets duly completed) (the **Acceptance Statement**):

*“We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Notes] (the **Notes**) described in the Final Terms dated [insert date] (the **Final Terms**) published by Skandinaviska Enskilda Banken AB (publ) (the **Bank**). In consideration of the Bank offering to grant its consent to our use of the Information Memorandum (as defined in the Final Terms) in connection with the offer of the Notes in [specify Member State(s)] during the Offer Period and subject to the other conditions to such consent, each as specified in the Information*

*Memorandum, we hereby accept the offer by the Bank in accordance with the Authorised Offeror Terms (as specified in the Information Memorandum) and confirm that we are using the Information Memorandum accordingly.”*

The **Authorised Offeror Terms**, being the terms to which the relevant financial intermediary agrees in connection with using this Information Memorandum are that the relevant financial intermediary:

- (1) will, and it agrees, represents, warrants and undertakes for the benefit of the Bank and the relevant Dealer that it will, at all times in connection with the relevant Non-exempt Offer:
  - (A) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor;
  - (B) comply with the restrictions set out under “*Subscription and Sale*” in this Information Memorandum which would apply if the relevant financial intermediary were a Dealer;
  - (C) ensure that any fee (and any other commissions or benefits of any kind) or rebate received or paid by the relevant financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
  - (D) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;
  - (E) comply with applicable anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
  - (F) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer, the Bank or directly to the appropriate authorities with jurisdiction over the Bank and/or the relevant Dealer in order to enable the Bank and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applying to the Bank and the relevant Dealer, as the case may be;
  - (G) ensure that it does not, directly or indirectly, cause the Bank or the relevant Dealer to breach any Rule or subject the Bank or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
  - (H) immediately inform the Bank and the relevant Dealer if at any time it becomes aware, or suspects, that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
  - (I) comply with the conditions to the consent referred to under “*Common conditions to consent*” below and any further requirements or other Authorised Offeror Terms relevant to the Non-exempt Offer as specified in the applicable Final Terms;
  - (J) make available to each potential Investor in the Notes this Information Memorandum (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Bank for such purpose, and not convey or publish any information that is not

contained in or entirely consistent with this Information Memorandum and the applicable Final Terms;

- (K) if it conveys or publishes any communication (other than this Information Memorandum or any other materials provided to such financial intermediary by or on behalf of the Bank for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Bank, that such financial intermediary is solely responsible for such communication and that none of the Bank and the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the Bank or the relevant Dealer (as applicable), use the legal or publicity names of the Bank or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Bank as issuer of the relevant Notes on the basis set out in this Information Memorandum;
- (L) ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the Bank or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- (M) co-operate with the Bank and the relevant Dealer in providing relevant information (including, without limitation, documents and records maintained pursuant to paragraph (F) above) and such further assistance as is reasonably requested upon written request from the Bank or the relevant Dealer in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process. For this purpose, relevant information is information that is available to or can be acquired by the relevant financial intermediary:
  - (i) in connection with any request or investigation by any regulator in relation to the Notes, the Bank or the relevant Dealer; and/or
  - (ii) in connection with any complaints received by the Bank and/or the relevant Dealer relating to the Bank and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in the Rules; and/or
  - (iii) which the Bank or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the Bank or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements,
- (N) during the period of the initial offering of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the Bank and the relevant Dealer); (ii) only sell the Notes for settlement on the Issue Date specified in the applicable Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the Bank and the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the Bank and the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the Bank and the relevant Dealer; and
- (O) either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests the relevant financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

- (2) agrees and undertakes to each of the Bank and the relevant Dealer that if it or any of its respective directors, officers, employees, agents, affiliates and controlling persons (each a **Relevant Party**) incurs any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) (a **Loss**) arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by the relevant financial intermediary, including (without limitation) any unauthorised action by the relevant financial intermediary or failure by it to observe any of the above restrictions or requirements or the making by it of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Bank or the relevant Dealer, the relevant financial intermediary shall pay to the Bank or the relevant Dealer, as the case may be, an amount equal to the Loss. None of the Bank nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision; and
- (3) agrees and accepts that:
  - (A) the contract between the Bank and the relevant financial intermediary formed upon acceptance by the relevant financial intermediary of the Bank's offer to use this Information Memorandum with its consent in connection with the relevant Non-exempt Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
  - (B) subject to paragraph (D) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a **Dispute**) and the Bank and the relevant financial intermediary submit to the exclusive jurisdiction of the English courts;
  - (C) for the purposes of paragraphs (B) and (D), the Bank and the relevant financial intermediary waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
  - (D) to the extent allowed by law, the Bank and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and
  - (E) each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

**Any Authorised Offeror falling within (ii) above who meets the conditions set out in (ii) and the other conditions stated in "Common Conditions to Consent" below and who wishes to use this Information Memorandum in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.**

#### ***Common Conditions to Consent***

The conditions to the Bank's consent to the use of this Information Memorandum in the context of the relevant Non-exempt Offer are (in addition to the conditions described in paragraph (ii) above if Part B of the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

- (i) is only valid during the Offer Period specified in the applicable Final Terms; and
- (ii) only extends to the use of this Information Memorandum to make Non-exempt Offers of the relevant Tranche of Notes in each relevant Member State, as specified in the applicable Final Terms.

The consent referred to above only relates to Offer Periods (if any) occurring within 12 months from the date of this Information Memorandum.

The only relevant Member States which may, in respect of any Tranche of Notes, be specified in the applicable Final Terms (if any relevant Member States are so specified) as indicated in (ii) above, will be Finland, France, Germany, Norway, Ireland and Sweden, and accordingly each Tranche of Notes may only be offered to Investors as part of a Non-exempt Offer in Finland, France, Germany, Norway, Ireland and Sweden, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Bank or any Dealer to publish or supplement a prospectus for such offer.

#### **ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS**

**AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE BANK WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS INFORMATION MEMORANDUM AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE BANK OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.**

Save as provided above, neither the Bank nor any Dealer have authorised, nor do they authorise, the making of any Non-exempt Offer of Notes in circumstances in which an obligation arises for the Bank or any Dealer to publish or supplement a prospectus for such offer.

#### **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 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, 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 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 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 to persons other than U.S. persons and, with respect to Notes in registered form only, within the United States 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 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 (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 **Kronor** 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 European Union, as amended;
- **GBP**, **British Pounds** or **Pounds Sterling** are to the currency of the United Kingdom;
- **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; and
- **USD**, **U.S. dollars** or **United States Dollars** are to the currency of the United States of America.

## 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, 2016 and 31st March, 2015 (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**).

The Interim Financial Statements have been reviewed in accordance with ISRE 2410 International Standards of Review Engagement by PricewaterhouseCoopers AB, with Peter Nyllinge 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, 2015 (the **2015 Financial Statements**) and 31st December, 2014 (the **2014 Financial Statements** and, together with the 2014 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 Financial Statements have been audited by PricewaterhouseCoopers AB, with Peter Nyllinge as auditor in charge, as set forth in the auditors' reports incorporated by reference in this Information Memorandum.

### Reorganisation

With effect from 1st January, 2016, the Group reorganised its business structure with a view to aligning it more closely with the Group's customer segments (the **Reorganisation**). The new structure comprises three customer-aligned business divisions and one division which supports all customers. See "Description of business-Overview". The income statements for the three months ended 31st March, 2016 (the **Interim Income Statements**) reflect the new business structure adopted by the Group following the Reorganisation, while the income statements for the years ended 31st December, 2015 and 2014 (the **Year End Income Statements**) reflect the previous business structure. As a result of the Reorganisation, the line item net life insurance income included in the Year End Income Statements has been reallocated in the Interim Income Statements to net fee and commission income, net financial income and net other income. The deferred acquisition costs within the

Life business are now part of net fee and commission income and are no longer reported as operating expenses, in line with market practice.

### **Comparability of information**

Unless otherwise stated, financial information in this Information Memorandum, with respect to each individual Group division 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 “Other”.

Following the Reorganisation, goodwill is being monitored below the divisional level. In accordance with IFRS, goodwill has therefore been allocated to the appropriate units and this resulted in an impairment of goodwill amounting to SEK 5.3 billion at 31st March, 2016.

### **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 Common Equity Tier 1 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 a new Capital Requirements Directive and an associated Capital Requirements Regulation, has been implemented from 1st January, 2014, although implementation of important parts of the package in Sweden was delayed until 2nd August, 2014. Under the previous Basel II requirements, the Bank disclosed both total and core tier 1 capital ratios calculated by reference to its risk-weighted assets (**RWA**). Under CRD IV, the Bank discloses total, common equity tier 1 (**CET1**) and tier 1 capital ratios calculated by reference to its risk exposure amounts (**REA**).

#### ***Rounding***

Certain figures in this Information Memorandum have been subject to rounding adjustments. 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.

### **Credit Portfolio**

References in this Information Memorandum to the Group’s **credit portfolio** mean all loans and leasing agreements (gross before reserves, but excluding repurchase agreements (**repos**) and 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, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISATION MANAGER) WILL UNDERTAKE STABILISATION ACTION. 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 BE ENDED 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.**

## SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A to E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the Notes and the Bank. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element should be included in the summary explaining why it is not applicable.

### Section A – Introduction and Warnings

Element	
A.1	<ul style="list-style-type: none"> <li>• This summary should be read as an introduction to this Information Memorandum and the relevant Final Terms.</li> <li>• Any decision to invest in any Notes should be based on a consideration of this Information Memorandum as a whole, including any documents incorporated by reference and the applicable Final Terms.</li> <li>• Where a claim relating to information contained in the Information Memorandum and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Information Memorandum and the applicable Final Terms before the legal proceedings are initiated.</li> <li>• Civil liability attaches to the Bank solely on the basis of this summary, including any translation of it, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Information Memorandum and the applicable Final Terms or following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Information Memorandum and the applicable Final Terms, key information in order to aid investors when considering whether to invest in the Notes.</li> </ul>
A.2	<p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a <b>Non-exempt Offer</b>.</p> <p><i>Issue specific summary:</i></p> <p>[Consent: Subject to the conditions set out below, the Bank consents to the use of this Information Memorandum in connection with a Non-exempt Offer of Notes by the Managers[, <i>[names of specific financial intermediaries listed in final terms]</i>] [and] [each financial intermediary whose name is published on the Bank’s website (<a href="http://sebgroup.com/investor-relations">http://sebgroup.com/investor-relations</a>) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer] [and any financial intermediary which is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being duly completed):</p> <p>“We, <i>[insert legal name of financial intermediary]</i>, refer to the offer of <i>[insert title of relevant Notes]</i> (the “<b>Notes</b>”) described in the Final Terms dated <i>[insert date]</i> (the “<b>Final Terms</b>”) published by Skandinaviska Enskilda Banken AB (publ) (the “<b>Bank</b>”). In consideration of the Bank offering to grant its consent to our use of the Information Memorandum (as defined in the Final Terms) in connection with the offer of the Notes in <i>[specify Member State(s)]</i> during the Offer Period and subject to the other conditions to such consent, each as specified in the Information Memorandum, we hereby accept the offer by the Bank in accordance with the</p>

	<p><i>Authorised Offeror Terms (as specified in the Information Memorandum) and confirm that we are using the Information Memorandum accordingly.]</i></p> <p><i>Offer period:</i> The Bank's consent referred to above is given for Non-exempt Offers of Notes during [offer period for the issue to be specified here] (the <b>Offer Period</b>).</p> <p><i>Conditions to consent:</i> The conditions to the Bank's consent [(in addition to the conditions referred to above)] are that such consent: (a) is only valid during the Offer Period; and (b) only extends to the use of this Information Memorandum to make Non-exempt Offers of the relevant Tranche of Notes in [specify each relevant Member State in which the particular Tranche of Notes can be offered].</p> <p><b>AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.</b></p>
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#### Section B – Issuer

Element	Title	
<b>B.1</b>	<b>Legal and Commercial Name</b>	Skandinaviska Enskilda Banken AB (publ) (the <b>Bank</b> ). The Bank's commercial name is "SEB".
<b>B.2</b>	<b>Domicile/ Legal Form/ Legislation/ Country of Incorporation</b>	The Bank is incorporated in Sweden under Swedish law as a limited liability company with registration number 502032-9081 and its principal executive offices are in Stockholm, Sweden.
<b>B.4b</b>	<b>Trend information</b>	Not Applicable – There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Bank's prospects for its current financial year.
<b>B.5</b>	<b>Description of the Group</b>	<p>The Bank and its subsidiaries (the <b>Group</b> or <b>SEB</b>) are 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 Denmark, Finland, Norway and Germany, 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, 2016, SEB had total assets of SEK 2,700 billion and total equity of SEK 126 billion. For the three months ended 31st March, 2016, SEB's net profit was a loss of SEK -2.3 billion and for the year ended 31st December, 2015, SEB's net profit was SEK 16.6 billion.</p> <p>The Bank is the parent company of the Group.</p>
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not Applicable – No profit forecast or estimates have been made in the Information Memorandum.

B.10	Qualifications to audit report	Not Applicable – No qualifications are contained in any audit or review report included in the Information Memorandum.																																																																																																				
B.12	<p><b>Selected historical key financial information</b></p> <p>The following tables summarise SEB’s income statements and balance sheets and provide certain key ratios as at and for each of (a) the two years ended 31st December, 2015 and 2014 and (b) three months ended 31st March, 2016 and 2015. The financial information for the years ended 31st December, 2015 and 2014 was extracted without material adjustment from SEB’s audited consolidated financial statements as at and for the year ended 31st December, 2015 and the financial information for the three months ended 31st March, 2016 and 2015 was extracted without material adjustment from SEB’s unaudited consolidated interim financial statements as at and for the three-month period ended 31st March, 2016.</p> <p><b>Income Statements</b></p> <table><tr><td></td><td colspan="2"><b>For the year ended 31st December<sup>1)</sup></b></td></tr><tr><td><b>SEK million</b></td><td><b>2015</b></td><td><b>2014</b></td></tr><tr><td>Net interest income.....</td><td>18,938</td><td>19,943</td></tr><tr><td>Net fee and commission income.....</td><td>16,877</td><td>16,306</td></tr><tr><td>Net financial income.....</td><td>4,118</td><td>2,921</td></tr><tr><td>Net life insurance income .....</td><td>3,300</td><td>3,345</td></tr><tr><td>Net other income .....</td><td>915</td><td>4,421</td></tr><tr><td><b>Total operating income .....</b></td><td><b>44,148</b></td><td><b>46,936</b></td></tr><tr><td>Staff costs .....</td><td>-14,436</td><td>-13,760</td></tr><tr><td>Other expenses.....</td><td>-5,759</td><td>-6,310</td></tr><tr><td>Depreciation, amortisation and impairment of tangible and intangible assets .....</td><td>-1,992</td><td>-2,073</td></tr><tr><td><b>Total operating expenses .....</b></td><td><b>-22,187</b></td><td><b>-22,143</b></td></tr><tr><td><b>Profit before credit losses .....</b></td><td><b>21,961</b></td><td><b>24,793</b></td></tr><tr><td>Gains less losses from tangible and intangible assets .....</td><td>-213</td><td>-121</td></tr><tr><td>Net credit losses.....</td><td>-883</td><td>-1,324</td></tr><tr><td><b>Operating profit.....</b></td><td><b>20,865</b></td><td><b>23,348</b></td></tr><tr><td>Income tax expense .....</td><td>-4,284</td><td>-4,129</td></tr><tr><td><b>Net profit from continuing operations .....</b></td><td><b>16,581</b></td><td><b>19,219</b></td></tr><tr><td>Discontinued operations .....</td><td>-</td><td>-</td></tr><tr><td><b>Net profit .....</b></td><td><b>16,581</b></td><td><b>19,219</b></td></tr><tr><td>Attributable to minority interests .....</td><td>-</td><td>1</td></tr><tr><td>Attributable to shareholders.....</td><td>16,581</td><td>19,218</td></tr></table> <table><tr><td></td><td colspan="2"><b>For the three months ended 31st March<sup>1)</sup></b></td></tr><tr><td><b>SEK million</b></td><td><b>2016</b></td><td><b>2015</b></td></tr><tr><td><b>(Unaudited)</b></td><td></td><td></td></tr><tr><td>Net interest income.....</td><td>4,636</td><td>4,946</td></tr><tr><td>Net fee and commission income.....</td><td>3,897</td><td>4,670</td></tr><tr><td>Net financial income.....</td><td>1,385</td><td>1,709</td></tr><tr><td>Net other income .....</td><td>304</td><td>213</td></tr><tr><td><b>Total operating income .....</b></td><td><b>10,222</b></td><td><b>11,538</b></td></tr><tr><td>Staff costs .....</td><td>-3,751</td><td>-3,556</td></tr><tr><td>Other expenses.....</td><td>-1,704</td><td>-1,683</td></tr><tr><td>Depreciation, amortisation and impairments of tangible and intangible assets.....</td><td>-5,910</td><td>-245</td></tr></table>				<b>For the year ended 31st December<sup>1)</sup></b>		<b>SEK million</b>	<b>2015</b>	<b>2014</b>	Net interest income.....	18,938	19,943	Net fee and commission income.....	16,877	16,306	Net financial income.....	4,118	2,921	Net life insurance income .....	3,300	3,345	Net other income .....	915	4,421	<b>Total operating income .....</b>	<b>44,148</b>	<b>46,936</b>	Staff costs .....	-14,436	-13,760	Other expenses.....	-5,759	-6,310	Depreciation, amortisation and impairment of tangible and intangible assets .....	-1,992	-2,073	<b>Total operating expenses .....</b>	<b>-22,187</b>	<b>-22,143</b>	<b>Profit before credit losses .....</b>	<b>21,961</b>	<b>24,793</b>	Gains less losses from tangible and intangible assets .....	-213	-121	Net credit losses.....	-883	-1,324	<b>Operating profit.....</b>	<b>20,865</b>	<b>23,348</b>	Income tax expense .....	-4,284	-4,129	<b>Net profit from continuing operations .....</b>	<b>16,581</b>	<b>19,219</b>	Discontinued operations .....	-	-	<b>Net profit .....</b>	<b>16,581</b>	<b>19,219</b>	Attributable to minority interests .....	-	1	Attributable to shareholders.....	16,581	19,218		<b>For the three months ended 31st March<sup>1)</sup></b>		<b>SEK million</b>	<b>2016</b>	<b>2015</b>	<b>(Unaudited)</b>			Net interest income.....	4,636	4,946	Net fee and commission income.....	3,897	4,670	Net financial income.....	1,385	1,709	Net other income .....	304	213	<b>Total operating income .....</b>	<b>10,222</b>	<b>11,538</b>	Staff costs .....	-3,751	-3,556	Other expenses.....	-1,704	-1,683	Depreciation, amortisation and impairments of tangible and intangible assets.....	-5,910	-245
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<b>Total operating expenses</b> .....	<b>-11,365</b>	<b>-5,484</b>
<b>Profit before credit losses</b> .....	<b>-1,143</b>	<b>6,054</b>
Gains less losses from tangible and intangible assets .....	-22	-76
Net credit losses .....	-291	-188
<b>Operating profit</b> .....	<b>-1,456</b>	<b>5,790</b>
Income tax expense .....	-838	-1,139
<b>Net profit</b> .....	<b>-2,294</b>	<b>4,651</b>
Attributable to minority interests .....	-	-
Attributable to shareholders .....	-2,294	4,651

1) The income statements for the three months ended 31st March, 2016 (the **Interim Income Statements**) reflect the new business structure adopted by SEB following the Reorganisation (as defined below), while the income statements for the years ended 31st December, 2015 and 2014 (the **Year End Income Statements**) reflect the previous business structure. As a result of the Reorganisation, the line item net life insurance income included in the Year End Income Statements has been reallocated in the Interim Income Statements to net fee and commission income, net financial income and net other income. The deferred acquisition costs within the Life business are now part of net fee and commission income and are no longer reported as operating expenses, in line with market practice.

### Balance sheets

	<b>As at 31st March</b>	<b>As at 31st December</b>	
	<b>(Unaudited)</b>		
<b>SEK million</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Cash and cash balances with central banks .....	151,214	101,429	103,098
Other lending to central banks .....	7,251	32,222	16,817
Loans to other credit institutions <sup>1)</sup> .....	81,378	58,542	90,945
Loans to the public .....	1,402,360	1,353,386	1,355,680
Financial assets at fair value through profit or loss <sup>2)</sup> ....	929,749	826,945	936,671
Fair value changes of hedged items in a portfolio hedge .....	151	104	173
Available-for-sale financial assets <sup>2)</sup> .....	37,253	37,368	46,014
Held-to-maturity investments <sup>2)</sup> .....	-	-	91
Assets held for sale .....	618	801	841
Investments in associates .....	1,082	1,181	1,251
Tangible and intangible assets .....	20,307	26,203	27,524
Other assets .....	68,724	57,783	62,141
<b>Total assets</b> .....	<b>2,700,087</b>	<b>2,495,964</b>	<b>2,641,246</b>
Deposits from central banks and credit institutions .....	171,066	118,506	115,186
Deposits and borrowing from the public .....	967,795	883,785	943,114
Liabilities to policyholders .....	368,106	370,709	364,354
Debt securities issued .....	674,616	639,444	689,863
Financial liabilities at fair value through profit or loss .	266,702	230,785	278,764
Fair value changes of hedged items in a portfolio hedge .....	1,727	1,608	1,999
Other liabilities .....	89,521	75,084	70,257
Provisions .....	2,598	1,873	2,868
Subordinated liabilities .....	31,719	31,372	40,265
Total equity .....	126,237	142,798	134,576
<b>Total liabilities and equity</b> .....	<b>2,700,087</b>	<b>2,495,964</b>	<b>2,641,246</b>

1) Loans to credit institutions and liquidity placements with other direct participants in interbank fund transfer systems.  
2) Within these line items, bonds and other interest-bearing securities including derivatives in aggregate in each year totalled

	376,470	295,409	343,702
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The table below shows certain key figures for SEB on a consolidated basis.			
<b>Key figures</b>			
	<b>As at/three months ended 31st March, 2016</b>	<b>As at/year ended 31st December, 2015 2014</b>	
Unaudited			
Return on equity <sup>1)</sup> % .....	-6.58	12.24	15.25
Return on risk exposure amount <sup>2)</sup> % .....	-1.61	2.71	3.23
Basic earnings per share <sup>3)</sup> (SEK) .....	-1.05	7.57	8.79
Cost/income ratio <sup>4)</sup> .....	1.11	0.50	0.47
Credit loss level <sup>5)</sup> % .....	0.08	0.06	0.09
Gross level of impaired loans <sup>6)</sup> % .....	0.34	0.35	0.49
Net level of impaired loans <sup>7)</sup> % .....	0.19	0.20	0.29
Total capital ratio <sup>8), 9)</sup> % (at period end) .....	23.9	23.8	22.2
Common Equity Tier 1 capital ratio <sup>9), 10)</sup> % (at period end) .....	19.1	18.8	16.3
Tier 1 capital ratio <sup>9), 11)</sup> % (at period end) .....	21.5	21.3	19.5
<p>1) Net profit attributable to equity holders for the period as a percentage of average shareholders' equity. Calculated on the basis of income statement figures for the continuing operations.</p> <p>2) Net profit attributable to equity holders for the period as a percentage of average risk exposure amounts (REA).</p> <p>3) Net profit attributable to equity holders for the period divided by the average number of shares outstanding. Calculated on the basis of income statement figures for the continuing operations.</p> <p>4) Total operating expenses divided by total operating income. Calculated on the basis of income statement figures for the continuing operations.</p> <p>5) Net credit losses divided by lending to the general public and credit institutions and loan guarantees at the opening of the period.</p> <p>6) Gross level of impaired loans as a percentage of the sum of loans to the general public and credit institutions.</p> <p>7) Net level of impaired loans (total impaired loans less specific reserves applied to them) as a percentage of the sum of loans to the general public and credit institutions less specific reserves.</p> <p>8) 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.</p> <p>9) According to SEB's interpretation of the CRD IV/CRR regulatory requirements and as reported to the SFSA.</p> <p>10) The Common Equity Tier 1 capital of the financial group of undertakings as a percentage of REA.</p> <p>11) The Tier 1 capital of the financial group of undertakings as a percentage of REA.</p>			

<b>Statements of no significant or material adverse change</b>		
There has been no significant change in the financial position of SEB since 31st March, 2016 and there has been no material adverse change in the prospects of SEB since 31st December, 2015.		
<b>B.13</b>	<b>Events impacting the Bank's solvency</b>	Not Applicable – There are no recent events particular to the Bank which are to a material extent relevant to the evaluation of the Bank's solvency.
<b>B.14</b>	<b>Dependence upon other group entities</b>	The Bank is not dependent on any other members of the Group.
<b>B.15</b>	<b>Principal activities</b>	<p>The Group's business is organised into three customer-aligned business divisions and one division which supports all customers.</p> <p>The Group's business was, until 31st December, 2015, organised into the following five divisions:</p> <ul style="list-style-type: none"> <li>• <i>Merchant Banking</i> – providing wholesale banking and investment banking services to large companies and financial institutions in SEB's</li> </ul>



		<p>core markets;</p> <ul style="list-style-type: none"> <li>• <i>Retail Banking</i> – providing banking and advisory services to private individuals and small and medium-sized enterprises in Sweden, and card services in the Nordic countries;</li> <li>• <i>Wealth Management</i> – providing asset management and private banking services to institutions, foundations and private individuals in SEB's core markets, and managing SEB's mutual funds;</li> <li>• <i>Life</i> – providing unit-linked and traditional life insurance products mainly in Sweden, Denmark and the Baltic countries; and</li> <li>• <i>Baltic</i> – providing retail, corporate and institutional banking services, such as trading and capital markets and transaction services, to Estonian, Latvian and Lithuanian clients. The financial results generated by structured finance, wealth management and life services provided in these countries are recorded in the Merchant Banking, Wealth Management and Life divisions, respectively.</li> </ul> <p>With effect from 1st January, 2016, SEB has reorganised its business structure with a view to aligning it more closely with the Group's customer segments. The new structure comprises three customer-aligned business divisions and one division which supports all customers. The customer-aligned business divisions are as follows:</p> <ul style="list-style-type: none"> <li>• <i>Large Corporates &amp; Financial Institutions</i> – which 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. This division comprises two separate business areas, Large Corporates &amp; Financial Institutions (which was the previous Merchant Banking division), and also includes the institutional clients' business activities of the former Wealth division, which has been disbanded;</li> <li>• <i>Corporate &amp; Private Customers</i> – which provides banking and advisory services to private individuals and small and medium sized enterprises in Sweden and card services in the Nordic countries (which was the previous Retail Banking division). This division also includes the private banking business of the former Wealth division; and</li> <li>• <i>Baltic</i> – which provides retail, corporate and institutional banking services, such as trading and capital markets and transaction services, to Estonian, Latvian and Lithuanian clients. The financial results generated by structured finance, wealth management and life services provided in these countries are recorded in the Large Corporate &amp; Financial Institutions and the Life &amp; Investment Management divisions, respectively divisions, respectively.</li> </ul> <p>The separate customer support division, <i>Life &amp; Investment Management</i>, comprises two separate business areas: the previous Life division and the investment management part of the former Wealth division. The new division provides all of the Group's different customer segments with pension and insurance products and also manages SEB's mutual funds.</p> <p>Please also refer to Element B.5.</p>
<b>B.16</b>	<b>Controlling shareholders</b>	Not Applicable – The Bank is not aware of any shareholder or group of connected shareholders who directly or indirectly control the Bank.

<b>B.17</b>	<b>Credit ratings</b>	<p>The Bank has been rated A+ by Standard &amp; Poor's Credit Market Services Europe Limited (<b>S&amp;P</b>), Aa3 by Moody's Investors Services Limited (<b>Moody's</b>) and AA- by Fitch Ratings Limited (<b>Fitch</b>). Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Bank.</p> <p><i>Issue specific summary:</i></p> <p>[The Notes [have been/are expected to be] rated [<i>specify rating(s) of Tranche to be issued</i>] by [<i>specify rating agency(ies)</i>].]</p> <p>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.</p> <p>[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.]</p>
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### Section C – Notes

<b>Element</b>	<b>Title</b>	
<b>C.1</b>	<b>Description of Notes/ISIN</b>	<p>The Notes described in this section are debt securities with a denomination of less than €100,000 (or its equivalent in any other currency). The Notes to be issued under the Programme may be MTNs or Covered Bonds. MTNs may further be Unsubordinated Notes or Subordinated Notes and, in the case of Subordinated Notes, Senior Subordinated Notes or Tier 2 Subordinated Notes. The Notes may also be Fixed Rate Notes, Fixed Reset Notes, Floating Rate Notes, Zero Coupon Notes or a combination of the foregoing.</p> <p><i>Issue specific summary:</i></p> <p>The Notes are [EUR/USD/GBP/CHF/JPY/RMB/<i>other</i>] ● [● per cent./Floating Rate/Zero Coupon] [Unsubordinated Notes/[Senior/Tier 2] Subordinated Notes/Covered Bonds] due ●.</p> <p>[Committee on Uniform Securities Identification Procedures (<b>CUSIP</b>) number: ●]</p> <p>International Securities Identification Number (<b>ISIN</b>): ●</p> <p>[The Notes will be consolidated and form a single series with [<i>identify earlier Tranches</i>] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, which is expected to occur on or about [<i>date</i>]]].</p>
<b>C.2</b>	<b>Currency</b>	<p>Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any currency agreed between the Bank and the relevant Dealer at the time of issue.</p> <p><i>Issue specific summary:</i></p> <p>The currency of this Series of Notes is [Euro (<b>EUR</b>)/U.S. dollars (<b>USD</b>)/Pounds Sterling (<b>GBP</b>)/Swiss Francs (<b>CHF</b>)/Japanese Yen (<b>JPY</b>)/Renminbi (<b>RMB</b>)/Other (●)].</p>
<b>C.5</b>	<b>Restrictions on transferability</b>	<p>[The Notes will be freely transferable subject to any restrictions on transfer set forth in the legends to the relevant Notes.] [Purchasers of Notes in the U.S. are advised to consult legal counsel prior to making any transfer of such Notes.]</p>

C.8	Rights attached to the Notes, including ranking and limitations on those rights	<p>Notes issued under the Programme will have terms and conditions relating to, among other matters:</p> <p><b><i>Status and Subordination (Ranking)</i></b></p> <p>Unsubordinated Notes constitute unsecured and unsubordinated obligations of the Bank and rank <i>pari passu</i> without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Bank, present and future, but (in the event of insolvency) only to the extent permitted by laws relating to creditors' rights.</p> <p>Subordinated Notes constitute unsecured, subordinated obligations of the Bank. In the event of 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 (i) <i>pari passu</i> without any preference among themselves, (ii) in the case of Senior Subordinated Notes (a) at least <i>pari passu</i> with the claims of all other subordinated creditors of the Bank other than in respect of payments to 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 junior subordinated creditors and (b) for so long as any existing subordinated notes remain outstanding, <i>pari passu</i> with, but otherwise at all times in priority to, payments to holders of Tier 2 instruments, (iii) in the case of Tier 2 Subordinated Notes, at least <i>pari passu</i> with payments to holders of any other Tier 2 instruments and claims of any other subordinated creditors ranking <i>pari passu</i> with the Tier 2 Subordinated Notes, (iv) in priority to payments to holders of any outstanding existing Tier 1 instruments and Additional Tier 1 instruments, and all classes of share capital of the Bank, and claims of any other junior subordinated creditors and (v) junior in right of payment to (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank and (c) in the case of Tier 2 Subordinated Notes, holders of Senior Subordinated Notes (subject as provided in (ii)(b) above) and any other prior ranking subordinated creditors..</p> <p>Covered Bonds constitute unsubordinated obligations of the Bank and rank <i>pari passu</i> without any preference among themselves. Covered Bonds are obligations issued or converted in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (<i>lagen (2003:1223) om utgivning av säkerställda obligationer</i>) (the <b>Covered Bond Act</b>) and rank <i>pari passu</i> with all other obligations of the Bank that have been provided the same priority as Covered Bonds pursuant to the Swedish Preferential Rights of Creditors Act (1970:979) (<i>förmånsrättslagen (1970:979)</i>). Covered Bonds and certain related derivative contracts will have the benefit of priority to a matched pool of assets (the <b>Cover Pool</b>) upon bankruptcy of the Bank consisting of Swedish mortgage loans and which may also consist of other eligible assets under the Covered Bond Act should SEB, at any future time, include such assets in the Cover Pool. To the extent that claims in relation to Covered Bonds 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.</p> <p><b><i>Taxation</i></b></p> <p>All payments in respect of Notes will be made without withholding or deduction for or on account of taxes imposed by the Kingdom of Sweden, unless the withholding or deduction is required by law. In that event, (a) in relation to Covered Bonds, such withholding or deduction will be made without payment of any additional amounts and (b) in relation to MTNs, the Bank will pay such additional amounts as may be necessary in order that the net amounts receivable shall equal the amount which would otherwise have been receivable, except in certain limited circumstances.</p> <p><b><i>Events of default</i></b></p>
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C.9	Interest/ Redemption	<p><b>Interest</b></p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate.</p> <p><b>Issue specific summary:</b></p> <p>[The Notes bear interest [from their date of issue/from ●] at the fixed rate of ● per cent. per annum[ and from ● at a fixed rate of ● per cent. per annum above the then applying [annual] swap rate for euro swap transactions with a maturity of five years]. The yield of the Notes is ● per cent. Interest will be paid [annually/semi-annually/quarterly] in arrear on [●/● and ●/●, ● and ●] in each year. The first interest payment will be made on ●.]</p> <p>[The Notes bear interest [from their date of issue/from ●] at floating rates calculated by reference to [specify [ ] month [[currency] LIBOR/EURIBOR/STIBOR] for Notes being issued] [plus/minus] a margin of</p>

		<p>● per cent. Interest will be paid [annually/semi-annually/quarterly] in arrear on [●/● and ●/●, ● and ●] in each year, subject to adjustment for non-business days. The first interest payment will be made on ●.]</p> <p>[The Notes do not bear any interest [and will be offered and sold at a discount to their principal amount].]</p> <p><b>Redemption</b></p> <p>The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Bank and the relevant Dealer at the time of issue of the relevant Notes.</p> <p>Notes may be redeemed early if specified in the applicable Final Terms (including at any time during the period commencing on (and including) the day that is 90 days prior to the maturity date) and, in the case of MTNs, for tax reasons. Subordinated Notes may also be redeemed early in certain circumstances, if specified in the applicable Final Terms in the case of Senior Subordinated Notes, resulting in Senior Subordinated Notes being fully excluded from inclusion in the eligible liabilities of the Bank pursuant to minimum own funds and eligible liability requirements under the European bank recovery and resolution directive (Directive 2014/59/EU) (the <b>BRRD</b>) or, as applicable, Tier 2 Subordinated Notes being fully excluded from inclusion in the Tier 2 capital of the Bank.</p> <p><b>Extended Maturity Date</b></p> <p>The applicable Final Terms may also specify that 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, the extended maturity date specified 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 for in the applicable Final Terms. Such extension of the maturity date of the Notes will not result in any right of holders of the Notes to accelerate payments or take action against the Bank.</p> <p><b>Issue specific summary:</b></p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] at [par/● per cent. of their principal amount]. [The Notes may also be redeemed on [●/specify] at [par/● per cent. of their principal amount].]</p> <p><b>Representative of holders</b></p> <p>Not Applicable – No representative of the Noteholders has been appointed by the Bank.</p> <p><b>Issue specific summary:</b></p> <p>The yield of the Notes is ● per cent.</p>
<b>C.11</b>	<b>Listing and Admission to trading</b>	<p>Notes issued under the Programme may be listed and admitted to trading on the Irish Stock Exchange or such other stock exchange or market specified below, or may be issued on an unlisted basis.</p> <p><b>Issue specific summary:</b></p> <p>[Application [has been][is expected to be] made by the Bank (or on its behalf) for the Notes to be admitted to trading on the [regulated market] of the [Irish/London/Luxembourg/● Stock Exchange.] [The Notes are not intended to</p>

		be admitted to trading on any market.]
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## Section D – Risks

Element	Title	
D.2	<b>Key risks regarding the Bank</b>	<p>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. 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 a number of factors which could materially adversely affect its business and ability to make payments due. These factors include:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• SEB remains exposed to the risk of increased credit provisioning;</li> <li>• SEB is exposed to declining property values on the collateral supporting residential and commercial real estate lending;</li> <li>• market fluctuations and volatility may adversely affect the value of SEB's securities portfolio, reduce its business activities and make it more difficult to assess the fair value of certain of its assets;</li> <li>• SEB is subject to the risk that liquidity may not always be readily available;</li> <li>• 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;</li> <li>• SEB's borrowing costs and its access to the debt capital markets depend significantly on its credit ratings;</li> <li>• SEB could be negatively affected by the soundness or the perceived soundness of other financial institutions and counterparties;</li> <li>• SEB will be subject to increased capital requirements and standards due to new governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may also need additional capital in the future due to worsening economic conditions, which capital may be difficult to obtain;</li> <li>• effective management of SEB's capital is critical to its ability to operate and grow its business;</li> <li>• volatility in interest rates has affected and will continue to affect SEB's business;</li> <li>• 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;</li> <li>• SEB is subject to a wide variety of banking, insurance and financial</li> </ul>

		<p>services laws and regulations, which could have an adverse effect on its business;</p> <ul style="list-style-type: none"> <li>• SEB operates in competitive markets that may consolidate further, which could have an adverse effect on its financial condition and results of operations;</li> <li>• conflicts of interest, whether actual or perceived, and fraudulent actions may negatively impact SEB;</li> <li>• SEB's life insurance business is subject to risks involving declining market values of assets related to its unit-linked business and traditional portfolios and inherent insurance risks;</li> <li>• fraud, credit losses and delinquencies, as well as regulatory changes, affect SEB's card business;</li> <li>• SEB's guidelines and policies for risk management may prove inadequate for the risks faced by its businesses;</li> <li>• weaknesses or failures in SEB's internal processes and procedures and other operational risks could have a negative impact on its financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage;</li> <li>• 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 disruptions or other effects on such systems;</li> <li>• in order to compete successfully, SEB is dependent on highly skilled individuals; SEB may not be able to retain or recruit key talent;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• SEB is exposed to risks related to money laundering activities and sanctions violations;</li> <li>• catastrophic events, terrorist acts, acts of war or hostilities, pandemic diseases or geopolitical or other unpredictable events could have a negative impact on SEB's business and results of operations;</li> <li>• financial services operations involve inherent reputational risk;</li> <li>• SEB may incur significant costs in developing and marketing new products and services;</li> <li>• any impairment of goodwill and other intangible assets would have a negative effect on SEB's financial position and results of operations;</li> <li>• a significant part of the Group's Swedish retail mortgage portfolio</li> </ul>
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		comprises the cover pool for the covered bonds issued by SEB and holders of SEB's unsecured obligations are subordinated to holders of covered bonds and certain derivatives counterparties.
<b>D.3</b>	<b>Key information on key risks regarding the Notes</b>	<p>There are also risks associated with the Notes, including a range of market risks, as follows:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• if the Bank has the right to convert the interest rate on any Notes 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;</li> <li>• 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;</li> <li>• Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates;</li> <li>• in the case of Subordinated Notes, (i) there is a real risk that holders will lose all or some of their investment should the Bank become insolvent, (ii) the maturity of Subordinated Notes may only be accelerated in limited circumstances and, if accelerated, holders may only claim payment in the bankruptcy or liquidation of the Bank, and (iii) Subordinated Notes may also be subject to loss absorption on any application of the general bail-in tool or at the point of non-viability of the Bank;</li> <li>• in the case of Covered Bonds, (i) even though Covered Bonds have the benefit of priority in respect of the Cover Pool, holders of the Covered Bonds assume credit risk on the Bank, (ii) holders of Covered Bonds have exposure in the event of a failure of the Cover Pool to meet the matching requirements, (iii) there are certain issues that may, in the event of the Bank's bankruptcy, lead to a conflict between the interests of holders and derivative counterparties on the one hand and the other creditors of the Bank on the other, (iv) there is risk relating to the value of other assets included in the Cover Pool, (v) claims of holders of Covered Bonds could be subordinated to certain other claims in a bankruptcy, (vi) the Covered Bonds contain no event of default provisions that allow the Covered Bonds to be accelerated and no gross-up provision, (vii) there are no limitations on the Bank's incurrence of additional debt or encumbering its assets in the future, (viii) only limited due diligence will be undertaken in relation to the Cover Pool in connection with the issue of Covered Bonds, (ix) only limited information relating to the Cover Pool will be available to holders of Covered Bonds, (x) 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, (xi) the Covered Bond Act is relatively recent legislation and it is uncertain how its provisions will be interpreted or applied by a Swedish court, and (xii) the implementation of Basel III and CRD IV will result in changes to the regulatory treatment of covered bonds;</li> <li>• in the case of Notes denominated in Renminbi, (i) Renminbi is not</li> </ul>



		<p>freely convertible and this may adversely affect liquidity of the Notes, (ii) there is only limited availability of Renminbi outside the PRC, which may affect liquidity and the Bank's ability to source Renminbi to service the Notes, (iii) an investment in the Notes is subject to exchange rate and interest rate risks and (iv) payments will only be made to investors in the manner specified in the conditions;</p> <ul style="list-style-type: none"> <li>the Council of the European Union has adopted the BRRD which provides for a range of actions to be taken in relation to credit institutions and investment firms 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;</li> <li>Notes in registered form are subject to certain restrictions on transfer;</li> <li>the conditions of the Notes may be modified without the consent of the holder in certain circumstances;</li> <li>the holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Bank in order to comply with applicable law;</li> <li>investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them;</li> <li>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;</li> <li>there may be no or only a limited secondary market in the Notes and this would adversely affect the value at which an investor could sell his Notes;</li> <li>the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency;</li> <li>changes in interest rates will affect the value of Notes which bear interest at a fixed rate; and</li> <li>any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes.</li> </ul>
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#### Section E – Offer

Element	Title	
E.2b	Use of proceeds	<p>The net proceeds from each issue of Notes will be used by the Bank for general corporate purposes, which include making a profit and may also be applied as otherwise specified in the applicable Final Terms.</p> <p><i>[Issue specific summary:</i></p> <p>The net proceeds from the issue of Notes will be applied by the Bank for its general corporate purposes, which include making a profit [and [    ].]</p>

E.3	<b>Terms and conditions of the offer</b>	<p>Under the Programme, the Notes may be offered to the public in a Non-exempt Offer in Finland, France, Germany, Norway, Ireland and Sweden.</p> <p>The terms and conditions of each offer of Notes will be determined by agreement between the Bank and the relevant Dealers at the time of issue and specified in the applicable Final Terms. An Investor intending to acquire or acquiring any Notes in a Non-exempt Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.</p> <p><b>Issue specific summary:</b></p> <p>This issue of Notes is being offered in a Non-exempt Offer in [Finland/France/Germany/Norway/Sweden/Ireland].</p> <p>The issue price of the Notes is ● per cent. of their principal amount.</p>	
		Offer Price:	[Issue Price/Not applicable/specify]
		Conditions to which the offer is subject:	[Not Applicable/give details]
		Description of the application process:	[Not Applicable/give details]
		Details of the minimum and/or maximum amount of application:	[Not Applicable/give details]
		Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/give details]
		Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/give details]
		Manner in and date on which results of the offer are to be made public:	[Not Applicable/give details]
		Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/give details]
		Whether tranche(s) have been reserved for certain countries	[Not Applicable/give details]
		Process for notification to applicants of the amount allotted and an indication of whether dealing may begin before notification is made:	[Not Applicable/give details]
		Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/give details]
		Name(s) and address(es), to the extent known to the Bank, of the placers in the various countries where the offer takes place:	[None/give details]

<b>E.4</b>	<b>Interests of natural and legal persons involved in the issue/offer</b>	<p>The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also 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.</p> <p><i>Issue specific summary:</i></p> <p>The [Dealers/Managers] will be paid aggregate commissions equal to ● per cent. of the nominal amount of the Notes. Any [Dealer/Manager] and its affiliates may also 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.</p> <p>[Other than as mentioned above,[ and save for ●,] so far as the Bank is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]</p>
<b>E.7</b>	<b>Expenses charged to the investor by the Bank</b>	<p>[Not Applicable – No expenses will be charged to investors by the Bank.]/[Give details.]</p>

## 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**

***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 macro-economic environment is the major driver of risk to SEB's results of operations and financial condition. Adverse economic and market conditions 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, decreased net interest income and net fee and commission income, volatile fair values for many of SEB's financial instruments, higher goodwill impairment charges and increasing loan impairment charges, all of which have in the past resulted in lower profitability and may have the same effect in future periods. The medium-term outlook for the global economy, which will be important to SEB's results of operations and financial condition, remains mixed. Although the Nordic economies have proven to be robust during the past three years, austerity measures in many countries have accentuated sovereign risk and created subdued economic growth, particularly in Europe, which could impact SEB's main markets. For example, in August 2015, the government of Greece agreed a third bail-out package with its creditors, although it remains uncertain how successful Greece will be in implementing economic reforms in a manner satisfactory to the Eurozone countries, the International Monetary Fund, the European Commission (EC) and the European Central Bank (ECB). There remains a risk that Greece may leave or be forced to leave the Eurozone which could create uncertainty and may destabilise the Eurozone. Volatile commodity prices, including oil and gas, have also had an adverse effect on certain industry sectors in Europe and on Norway, one of SEB's core markets. No assurance can be given that these and other events will not result in further negative effects on economic recovery or that sovereign risk will not adversely impact SEB's asset valuations. Continuing weak macro-economic conditions may further adversely affect net interest margins, credit quality and loan portfolio growth as well as prices of real estate and other property held as collateral for loans, which may lead to renewed large loan impairment charges. 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 a downturn in the capital markets in general, and in SEB's wholesale and investment banking business in particular.

The Group's operations in Sweden account for a significant part of its operating profit, with 56 per cent. of operating profit in 2015 attributable to operations in Sweden. The other Nordic countries of Denmark, Finland and Norway accounted for a further 22 per cent. of operating profit in 2015. In addition, 73 per cent. of the Group's non-bank credit portfolio of SEK 1,890 billion as of 31st December, 2015 represented exposures booked in Sweden with a further 6 per cent. representing exposures booked in the other Nordic countries. There is also a risk that economic recovery in Sweden and other Nordic countries will not be sustained. 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 the Baltic countries, could have a material adverse effect on SEB's results of operations, business, financial condition, liquidity and/or prospects.

The precise nature of all the risks and uncertainties SEB faces as a result of the global economic outlook cannot be 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 any improvement in SEB's markets. If economic conditions deteriorate or stagnate in any of SEB's main markets or if there is any recurrence of the European sovereign debt crisis, its business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

***SEB remains exposed to the risk of 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. SEB continuously reviews and analyses its loan portfolio and credit risks. Uncertainty as to the strength and magnitude of any potential economic recovery makes it difficult to estimate the size of SEB's future provisioning requirements and loan losses.

According to the Swedish Financial Supervisory Authority's (the **SFSA**) report "Stability in the financial system" dated 1st December, 2015, the Swedish household sector's total debt in relation to its disposable income increased from 100 per cent. to 170 per cent. between the end of the 1990s and 2010. The rate of increase in household debt slowed down considerably in 2010, but has begun to rise since early 2014 and, according to the Swedish Riksbank's Financial Stability Report in May 2016, Swedish household debt was approximately 179 per cent. of disposable household income. This debt-to-income ratio is high from both an historical and an international perspective. The SFSA considers that the macroeconomic risks associated with household indebtedness are currently increasing and is proposing additional measures to combat them.

Another factor that could impact particular segments of SEB's corporate and institutional customers is the sharp fall in oil prices since mid-2014, particularly if it is sustained throughout 2016 and into 2017.

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 allowance for losses on loans is 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. 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 maintains an allowance for loan losses aimed at covering estimated probable incurred credit losses inherent in its loan portfolio. SEB's net credit losses for the three months ended 31st March, 2016 amounted to SEK 291 million or a credit loss level of 0.08 per cent., compared to SEK 188 million or a credit loss level of 0.05 per cent. for the corresponding period in 2015. SEB's net credit losses for the year ended 31st December, 2015 amounted to SEK 883 million or a credit loss level of 0.06 per cent., compared to SEK 1,324 million or a credit loss level of 0.09 per cent. for 2014 and SEK 1,175 million or a credit loss level of 0.09 per cent. for 2013.

Non-performing loans in the Baltic countries amounted to SEK 5.4 billion as of 31st December, 2013, SEK 4.3 billion as of 31st December, 2014, SEK 3.8 billion as of 31st December, 2015 and SEK 3.6 billion as of 31st March, 2016. As of 31st March, 2016, non-performing loans in the Baltic countries represented 44 per cent. of SEB's total non-performing loans. The Baltic loan portfolio included a total of SEK 1.9 billion in impaired loans as of 31st March, 2016, and provisions in respect of the Baltic impaired loan portfolio amounted to SEK 1.2 billion at the same date, corresponding to a total reserve ratio for individually assessed impaired loans of 61 per cent.. The asset quality of SEB's Baltic credit portfolio has improved slightly compared to 31st December, 2015, notwithstanding the Russia/Ukraine conflict. However, if the conflict escalates, it could give rise to an increase in loan losses which could have a material adverse effect on SEB's financial condition and results of operations.

***SEB is exposed to declining property values on the collateral supporting residential and commercial real estate lending.***

SEB's total credit portfolio as of 31st March, 2016 was SEK 1,993 billion, of which household mortgage lending amounted to 25 per cent., or SEK 500 billion (of which SEK 450 billion, or 23 per cent. of the total credit portfolio, was household mortgage lending in Sweden), and property management lending amounted to 16 per cent., or SEK 321 billion (of which SEK 171 billion, or 9 per cent. of the total credit portfolio, was commercial real estate lending, SEK 98 billion, or 5 per cent. of the total credit portfolio, was residential real estate lending and SEK 51 billion, or 3 per cent. of the total credit portfolio, was co-operative housing association lending). As of the same date, 81 per cent. of the property management lending was in SEB's Swedish market with 12 per cent. in Germany and 6 per cent. in the Baltic countries.

SEB applies a cash-flow based credit policy that considers the repayment capacity of the customer when extending credit. This policy also applies to all lending backed by residential or commercial real estate. Any future economic downturn in the Nordic and Baltic regions as well as in Germany, with falls in house prices and

increases in unemployment, could adversely affect SEB's commercial 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 rapid increase in Swedish house prices since the 1990s and the average household debt in Sweden, the effects of any future decline in property values on the wider economy are likely to 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.

In May 2013, the SFSA implemented a 15 per cent. risk weight floor for Swedish mortgages, which was raised to 25 per cent., effective on 1st January, 2015. These measures have had and are expected to have a negative effect on SEB's capital ratios.

***Market fluctuations and volatility may adversely affect the value of SEB's securities portfolio, reduce its business activities and make it more difficult to assess the fair value of certain of its assets.***

In 2013, 2014 and 2015, SEB experienced valuation gains of SEK 1,238 million, SEK 1,234 million and SEK 92 million, respectively, on its bond investment portfolio principally as a result of improving markets conditions and mainly in relation to Spanish covered bonds in 2013 and 2014 and structured credits in 2015. In the three months ended 31st March, 2016, the valuation loss was SEK 39 million, mainly relating to Spanish covered bonds.

Valuations in future periods, reflecting then-prevailing market conditions, may result in significant negative changes in the fair values of SEB's exposure. In addition, the value ultimately realised by SEB may be materially different from the current or estimated fair value. Any of these factors could require SEB to recognise valuation losses or realise impairment charges, any of which may adversely affect its business, financial condition, results of operations, liquidity and prospects.

In addition, SEB's estimates of fair value may differ materially both from similar estimates made by other financial institutions and from the values that would have been used if a market for the relevant assets had been readily available. An increase in volatility increases SEB's measured risk, and any change in the fair values of financial instruments could have a material adverse effect on SEB's financial position and results of operations. Any of those developments may cause SEB to reduce its asset holdings or to reduce its business activities.

***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. During the height of the financial crisis, volatility in the capital markets reached unprecedented levels and had a material adverse effect on access to funding in both the public and private markets and, in certain cases, resulted in significant liquidity problems for financial institutions which gave rise to a requirement for unprecedented financial assistance from governments and central banks. Although financial markets have stabilised in more recent periods, they remain subject to periods of volatility. Although funding spreads have tightened substantially since 2012 reflecting additional liquidity provided to the market by central banks and more stable financial markets, there can be no assurance that central banks will continue accommodative monetary policies.

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, even a perception among market participants that a financial institution is experiencing greater liquidity risk can cause significant damage to the institution. If SEB's short-term funding sources become volatile or are unavailable, SEB would be required to utilise other, more expensive, sources to meet its funding needs, such as collateralised borrowing or asset sales. SEB's ability to sell assets at a commercially desirable price or at all may be impaired if other market participants are seeking to sell similar assets at the same time or are not in a position to finance themselves, or when the market value of assets, including financial instruments underlying derivative transactions to which SEB is a party, is difficult to ascertain, as occurred at certain times during and since the global financial crisis. In addition, financial institutions with which SEB interacts may exercise set-off rights or rights to require additional collateral. Any of these or other events could impair SEB's access to liquidity.

***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, 2016, the amount of outstanding long-term senior unsecured and mortgage covered bond funding scheduled to mature within one year and require refinancing was SEK 70 billion, excluding public covered bonds issued by SEB AG. Within two and three years from 31st March, 2016, additional amounts scheduled to mature are SEK 99 billion and SEK 106 billion, respectively. Future disruptions, uncertainty or volatility in the capital and credit markets 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, particularly in light of the significant refinancing needs of European financial institutions over the next few years, 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 or rating agencies impose additional regulatory capital requirements or downgrade SEB's credit ratings. 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.

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 unless corresponding actions are taken to improve the liquidity profile of other deposits or to reduce less liquid assets.

***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 are Aa3, A+ and AA- by Moody's, S&P and Fitch, respectively.

S&P affirmed SEB's A+ rating in August 2013 but maintained a negative outlook for all major Swedish banks as a result of ongoing macroeconomic risks. In April 2014, S&P changed its economic outlook from negative to stable for all major Swedish banks but, at the same time, put all major Swedish banks and some 50 other European banks on negative outlook due to S&P's view of the likely effects of the introduction of the BRRD and the Single Resolution Mechanism regulation on financial institutions in the EU. S&P affirmed SEB's A+ rating in August 2014. In December 2015, S&P took various rating actions on Sweden-based banks including revising its outlook on SEB to stable from negative to reflect S&P's expectation of continued government support and S&P's view that it could revise upwards SEB's stand-alone credit profile as SEB continues to generate capital, offsetting the negative trend for the Swedish banking sector. S&P upgraded SEB's stand-alone rating on 1st June, 2016, which resulted in a corresponding upgrade by one-notch in its rating of SEB's subordinated debt and hybrid tier 1 capital instruments. The A+ (stable) long-term senior unsecured rating was affirmed as of the same date.

Moody's reaffirmed SEB's A1 rating in July 2013 and announced on 30th September, 2013 that the outlook for the Swedish banking system remained stable. The stable outlook primarily reflects the supportive operating environment, with strong economic growth relative to peers over the following 12 to 18 months, and Moody's expectation that asset quality will remain strong in the current low interest rate environment. In May 2014, Moody's put over 100 European banks, including the major Swedish banks, on negative outlook due to Moody's view of the likely effects of the introduction of the BRRD and the Single Resolution Mechanism regulation on financial institutions in the EU. Moody's affirmed SEB's A1 rating in December 2014. On 17th March, 2015, Moody's announced multiple rating actions on a significant number of banks, including SEB. The initiated reviews of banks' ratings will take into account three aspects: (a) standalone rating analysis, (b) Moody's new ratings methodology, and (c) government support assessment. Moody's indicated that SEB's senior unsecured rating is on review for upgrade to Aa3, supported by the improved intrinsic credit strength of SEB. Moody's confirmed the upgrade of SEB's long-term senior unsecured rating to Aa3 on 17th June, 2015. SEB's long-term senior unsecured rating of Aa3 was affirmed in May 2016.

Fitch maintained its A+ (stable) rating of SEB throughout the global financial and European sovereign debt crises. Fitch put SEB's A+ rating on positive outlook in June 2014. It is Fitch's opinion that SEB's profitability and risk profile is increasingly in line with banks rated AA-. Fitch upgraded SEB's long-term senior unsecured rating to AA- (stable) in May 2016.

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.

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. 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.

***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, as was the case after the bankruptcy of Lehman Brothers in 2008, 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, a counterparty 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. Systemic risk could have a material adverse effect on SEB's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

SEB routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, insurance companies and other institutional clients, resulting in large daily settlement amounts and significant credit exposure. As a result, SEB faces concentration risk with respect to specific counterparties and customers. A default by, or even concerns about the creditworthiness of, one or more financial services institutions could therefore lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions.

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.



***SEB will be subject to increased capital requirements and standards due to new governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may also need additional capital in the future due to worsening economic conditions, which capital may be difficult 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 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 10 per cent. since 1st January, 2013 and 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 during 2015 increased capital requirements further.

On 10th December, 2015, the Basel Committee published a second proposal on revisions to the standardised approach for credit risk. Further, at its meeting on 10th January, 2016, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (**GHOS**), endorsed the new market risk framework, which is a core component of the Basel III reform package. The new market risk framework is currently expected to apply by the end of 2019. The GHOS also agreed that the Basel Committee should complete its work to address the problem of excessive variability in risk-weighted assets by the end of 2016, which will include a consultation on the removal of internal model approaches for certain risks and a consultation on setting additional constraints on the use of internal model approaches for credit risk, in particular through the use of floors. The GHOS expects to review the Committee's proposals on the riskweighted framework and the design and calibration of capital floors at or around the end of 2016. The GHOS also discussed the final design and calibration of the leverage ratio. Members agreed that the leverage ratio should be based on a Tier 1 definition of capital and should have a minimum level of 3 per cent., and they discussed additional requirements for global systemically important banks (**G-SIBs**). The GHOS intends to finalise the calibration in 2016 to allow sufficient time for the leverage ratio to be implemented as a Pillar 1 measure by 1st January, 2018. Any future implementation of these or other measures could result in the imposition of further CET1 capital requirements upon SEB.

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

In October 2011, the Financial Stability Board (**FSB**) released a set of key attributes of effective resolution regimes for financial institutions, which included recommendations that authorities should have the power to bail-in (that is, write-down or convert into equity) certain creditors of a bank in a resolution situation. 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 and investment firms (the **BRRD**) entered into force. This directive became effective 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 consequently, investors may lose part or all of their investment in the Notes. For further information on the BRRD, see “—*Risks related to Notes generally—The Council of the European Union has adopted the BRRD which provides for a range of actions to be taken in relation to credit institutions and investment firms 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.

In November 2011, the FSB published an integrated set of policy measures to address the systemic and moral hazard risks associated with systemically important financial institutions (**SIFIs**). In that publication, the FSB identified an initial group of 29 G-SIBs, using a methodology developed by the Basel Committee. This list of G-SIBs is updated in November each year, with the banks on the November 2015 list being required to hold additional capital (in the form of CET1), above that required by the Basel III rules. SEB was not identified as a G-SIB by the FSB in the list published in November 2015, but it is possible that it may be in the future. Also, in October 2012, 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 subject to additional capital requirements imposed by the SFSA.

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.

***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 or the inability to syndicate loans as a result of market conditions or otherwise) could have a material adverse impact on its business, financial condition, results of operations, liquidity and/or prospects.

***Volatility in interest rates has affected and will continue to affect SEB's business.***

SEB generally relies on deposits for a significant portion of its funds, 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 interest rate environment. 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 Sweden since February 2015. In Sweden, the Swedish Riksbank's repo rate has been gradually lowered from 1.00 per cent. in 2013 to its current level of -0.50 per cent. due to very low inflation. The reductions in the repo rate have adversely affected SEB's:

- deposit margins;
- yield on excess liquidity placed by it with the Swedish 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 negative interest rate environment in Sweden continues for a prolonged period of time, or if the central banks in other markets where SEB operates lower interest rates below zero, the existing challenges associated with SEB's reluctance to pass the consequences of negative interest rates on to retail customers and the challenges associated with passing, to the full extent, the consequences of negative interest rates on to its large corporate customers would likely be exacerbated, which would continue to adversely affect SEB's net interest income. In addition, this could potentially have other adverse consequences, such as the need to complete certain processes manually if the Bank's IT systems are unable to correctly process all relevant data due to the fact that they were not designed to operate in a negative interest rate environment. 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 are 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. Further, SEB may incur net credit losses as certain borrowers may be exposed to interest payments on loans in foreign currencies while having income in local currencies.

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, 2016, fluctuations in the exchange rate between the SEK and the U.S. dollar and the euro resulted in a decrease in REA of SEK 2 billion compared to 31st December, 2015. In 2015, fluctuations in the exchange rate between the SEK and the U.S. dollar and euro resulted in a decrease in REA of SEK 2 billion compared to 2014 and, in 2014, fluctuations in the exchange rate between the SEK and the U.S. dollar and the euro, in particular, resulted in increases in REA of SEK 27 billion compared to 2013.

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 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. As a result, SEB is exposed to many forms of risk (including legal risk) which could have an adverse effect on its business, and which may arise in a number of ways, primarily:

- changes in the monetary, interest rate, capital adequacy and other policies of central banks and regulatory authorities;
- changes in laws and regulations or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which SEB operates or may increase the costs of doing business in those markets;
- changes in regulatory requirements, such as prudential rules relating to the capital adequacy framework and the imposition of onerous compliance obligations;
- restrictions on business growth or pricing and requirements to operate in a way that prioritises objectives other than shareholder value creation;
- changes to financial reporting standards;
- changes in competition and pricing environments, such as harmonisation of card payment interchange fees;
- differentiation among financial institutions by governments with respect to the extension of guarantees to bank customer deposits and the terms attaching to such guarantees, including requirements for the entire Group to accept exposure to the risk of any individual member of the Group, or third-party participants in such guarantee schemes, failing;
- the design and implementation of government-mandated resolution or insolvency regimes;
- implementation of, or costs related to, local customer or depositor compensation or reimbursement schemes;

- regulations relating to, and enforcement of, anti-bribery, anti-money laundering, anti-terrorist financing, economic sanctions or other similar regimes;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to ownership; and
- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty that, in turn, may affect demand for SEB's products and services.

Regulation of financial markets and banking has changed substantially as a result of the global financial crisis. 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 the future, have other adverse impacts on its business, the products and services it offers and the value of its assets. 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 which was implemented in Sweden on 1st February 2016. See "*—SEB will be subject to increased capital requirements or standards due to new governmental and regulatory requirements and changes in perceived levels of adequate capitalisation, and may also need additional capital in the future due to worsening economic conditions, which capital may be difficult to obtain*" above. In addition, SEB's life insurance companies will be affected by new EU solvency requirements, which became effective in Sweden on 1st January, 2016.

SEB operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks. 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. Adverse regulatory action or adverse judgments in litigation could result in fines or in restrictions or limitations on SEB's operations, any of which could result in a material adverse effect on its reputation or financial condition. In addition, any determination by local regulators that SEB has not acted in compliance with applicable local laws in a particular market, or any failure to develop effective working relationships with local regulators, could have a material adverse effect not only on SEB's businesses in that market but also on its reputation generally.

***SEB operates in competitive markets that may consolidate further, 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 may increase 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, and this trend may impact SEB in the principal markets in which it operates. Competition is also increased by the emergence of alternative distribution channels and alternative providers, including entities subject to substantially less regulation than SEB, for many of the products distributed by SEB. 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. During the first three months of 2016 and in 2015 and 2014, SEB experienced significant competition in the large corporate and financial institution segments from other large Nordic banks. In addition, the international banks which had retreated from Sweden in the aftermath of the global financial crisis have returned and are principally competing in areas such as advisory, equity finance, prime brokerage and global custody. These and other changes in the competitive landscape could materially and adversely affect SEB's business, financial condition, results of operations, liquidity, markets and prospects.

***Conflicts of interest, whether actual or perceived, and fraudulent actions may negatively impact SEB.***

As SEB expands the scope of its businesses and its client base, it increasingly has to implement policies on corporate governance on a Group-wide level and address potential conflicts of interest, including situations where SEB's services to a particular client or its own proprietary investments or other interests conflict, or are perceived to conflict, with the interests of another client, as well as situations where one or more of SEB's businesses have access to material non-public information that may not be shared with other businesses within the Group. Although SEB has procedures and controls that are designed to identify and address conflicts of

interest, including those designed to prevent the improper sharing of information among its businesses, these procedures and controls may not always be effective. Appropriately identifying and dealing with conflicts of interest is complex, in part because internal breaches of policy can be difficult to discover. SEB's reputation may be damaged, and the willingness of clients to enter into transactions in which such a conflict might arise may be affected, if SEB fails, or appears to fail, to identify and deal appropriately with conflicts of interest. Any material conflicts, whether actual or perceived, could materially and adversely affect SEB's business, financial condition, results of operations, liquidity and/or prospects.

***SEB's life insurance business is subject to risks involving declining market values of assets related to its unit-linked business and traditional portfolios and inherent insurance risks.***

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 business is to reduce income, as a significant portion of the fee income from unit-linked policies is related to the value of assets under management. 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. SEB's traditional life insurance business is mainly written in Denmark and Sweden, with the Danish business representing around 83 per cent. of SEB's total traditional life insurance business's assets under management (excluding the traditional life insurance business in Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (**Gamla Liv**) which is closed for new business) as of 31st March, 2016. In the Danish 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. In Sweden, SEB has, in 2008, 2011 and 2015, made provisions to cover capital shortfalls in the traditional portfolios of Fondförsäkringsaktiebolaget SEB Trygg Liv. Although these provisions were recovered in subsequent years as investment returns improved, there can be no assurance that further provisions to cover shortfalls in the guaranteed returns may not be required in the future.

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 payout 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. A material change in relation to any of these insurance risks or the inability of SEB to successfully manage these risks could materially and adversely affect SEB's business, financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage.

***Fraud, credit losses and delinquencies, as well as regulatory changes, affect SEB's card business.***

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 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, anti-money laundering and know-your-customer regulations. 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.

***SEB's guidelines and policies for risk management may prove inadequate for the risks faced by its businesses.***

The management of business, regulatory and legal risks requires guidelines and policies for the accurate identification 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.

***Weaknesses or failures in SEB's internal processes and procedures and other operational 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, 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). 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.

***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 disruptions 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, 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 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.

***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, as well as from hedge funds, private equity funds and venture capital funds, and 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 2015 Financial Statements". These judgments include, for example, the non-consolidation of Gamla Liv into the life insurance operations of the Group.

A variety of factors could affect the ultimate value that is obtained either when earning income, recognising an expense, recovering or valuing an asset or reducing a liability. Although SEB has established detailed policies and control procedures that are intended to ensure that these critical accounting estimates and judgments are well controlled and applied consistently, there can be no assurance that these policies and procedures will always be effective. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Lastly, internal organisational changes may have an impact on how certain assets are measured. For example, following the reorganisation of its business divisions to more closely match its customer segments at the start of 2016, SEB determined that its goodwill should be monitored at a business unit and geographical level rather than the divisional level. The resulting re-allocation of goodwill in accordance with IFRS resulted in an SEK 5.3 billion technical impairment of goodwill at 31st March, 2016.

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.

***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 past years SEB has not made any contribution to its Swedish pension foundations. In 2014 and 2015, SEB made a contribution to its German pension foundation equivalent to the service cost. No contributions have been made for the first three months of

2016. Depending on the pace and nature of any future macroeconomic recovery, 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 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. Revisions to tax legislation or to its interpretation might also affect SEB's financial condition in the future. During 2016, the Swedish government has made two new tax proposals which, if implemented, would be likely to have a negative impact on SEB. The first proposal is that interest on subordinated debt that qualifies as Additional Tier 1 capital and/or Tier 2 capital will be disallowed for deduction. A final decision in relation to this proposal is expected later in 2016 and, if approved, implementation is expected to be from 1st January, 2017. If implemented, this change would result in an increased tax cost to SEB of approximately SEK 300 million to SEK 350 million per year based on its current level of subordinated debt that qualifies as Additional Tier 1 capital and/or Tier 2 capital. The second proposal is for a levy, payroll tax or similar for banks and other financial institutions providing VAT exempt financial services. This proposal aims to increase the government's tax revenue from the financial institutions sector as a whole by approximately SEK 4 billion a year. If the proposal is approved, SEB believes that the earliest the related tax would be introduced would be in 2017.

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.

***SEB is exposed to risks related to money laundering activities and sanctions violations.***

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

In addition, banks such as SEB are 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 individual countries. A wide range of countries, organisations and individuals may be subject to sanctions under these regimes and the complexity of banking operations means that steps taken to screen transactions against sanctions lists may not always be effective.

As a result, the risk of future incidents in relation to money laundering and sanctions violations always exists for financial institutions. 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.

***Catastrophic events, terrorist acts, acts of war or hostilities, pandemic diseases or geopolitical 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 or geopolitical 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. In addition, a pandemic disease caused by a virus such as H1N1 (the swine flu virus) could result in large areas being subject to quarantine, with the result that economic activity slows or ceases, adversely affecting SEB's business and the general economic climate within such area, which in turn could have an adverse effect on SEB's business. Such events or acts and losses resulting therefrom are difficult to predict and may relate to property, financial assets, trading positions or key employees. 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.

***Financial services operations involve inherent reputational risk.***

SEB's reputation is one of its most important assets. Reputational risk, including the risk to earnings and capital from negative public opinion, is inherent in the financial services business. Negative public opinion can result from any number of causes, including misconduct by employees, the activities of business partners over which SEB has limited or no control, severe or prolonged financial losses, or uncertainty about SEB's financial soundness or reliability. 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.

***SEB may incur significant costs 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. There is increasing pressure to provide products and services at lower prices. This 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. 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.

***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 each of 2013 and 2014 SEB derecognised intangible assets in an amount of SEK 84 million and SEK 138 million, respectively, as a result of a strategic review of IT infrastructure projects and the resulting removal of IT assets that had been built-up in anticipation of investment projects that were subsequently abandoned. In addition, in 2014, SEB sold a company within its Card business. The total capital gain from the sale was reduced by attributable goodwill in an amount of SEK 187 million. Most recently, SEB recorded an SEK 5.3 billion technical impairment of goodwill at 31st March, 2016 in connection with the reorganisation of its business divisions at the start of 2016 and a further one-off cost of SEK 615 million associated with financial effects of restructuring activities in the Baltic and German businesses and a derecognition of intangible IT assets no longer in use. Any future impairments or derecognitions may also have a material adverse effect on SEB's financial position and results of operations.

***A significant part of the Group's Swedish retail mortgage portfolio comprises the cover pool for the covered bonds issued by SEB and holders of SEB's unsecured obligations are subordinated to holders of covered bonds and certain derivatives counterparties.***

As of 31st March, 2016, a significant part of the Group's Swedish retail mortgage portfolio was in the Cover Pool against which SEB issues Covered Bonds. Under Swedish regulations, only 75 per cent. of a residential mortgage loan is eligible to be in the Cover Pool at origination and the Cover Pool is subject to market valuations on a regular basis. As of 31st March, 2016, approximately 66 per cent. of the Cover Pool, or SEK 322 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, 2016 and 31st December in each of 2015, 2014 and 2013. 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 senior 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. MTNs are unsecured obligations of SEB, and holders of MTNs are subordinated to 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 Cover Pool in respect of outstanding Covered Bonds should SEB become insolvent or be liquidated.

## **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 Bank has the right to convert the interest rate on any Notes 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 may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Bank has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Bank may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Bank. If the Bank converts from a fixed rate to a floating rate in such circumstances, 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. If the Bank converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its 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.

*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.

*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 normal 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 Subordinated Notes***

*There is a real risk that holders of Subordinated Notes will lose some or all of their investment should the Bank become insolvent or subject to resolution and the maturity of Subordinated Notes may only be accelerated in limited circumstances and, if accelerated, holders may only claim payment in the bankruptcy or liquidation of the Bank*

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:

- (i) *pari passu* without any preference among themselves;
- (ii) in the case of Senior Subordinated Notes:
  - (a) at least *pari passu* with the claims of all other subordinated creditors of the Bank other than in respect of payments to 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 junior subordinated creditors; and
  - (b) for so long as any existing subordinated notes remain outstanding, *pari passu* with, but otherwise at all times in priority to, payments to holders of Tier 2 instruments,
- (iii) in the case of Tier 2 Subordinated Notes, at least *pari passu* with payments to holders of any other Tier 2 instruments and claims of any other subordinated creditors ranking *pari passu* with the Tier 2 Subordinated Notes;
- (iv) in priority to payments to holders of any outstanding existing Tier 1 instruments and Additional Tier 1 instruments, and all classes of share capital of the Bank, and claims of any other junior subordinated creditors; and
- (v) junior in right of payment to (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank and (c) in the case of Tier 2 Subordinated Notes, holders of Senior Subordinated Notes (subject as provided in (ii)(b) above) and any other prior ranking subordinated creditors.

In the case of Senior Subordinated Notes, any existing subordinated notes that remain outstanding as of the Issue Date will be specified in the applicable Final Terms. For so long as such existing subordinated notes 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 Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real 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 provides for the write-down or conversion of Tier 2 Subordinated Notes prior to Senior Subordinated Notes, which in turn will be written-down or converted prior to any write-down or conversion of Unsubordinated Notes, which write-down or conversion shall be implemented in the case of Senior Subordinated Notes and Unsubordinated Notes in accordance with the hierarchy of claims in normal insolvency proceedings.

Holders of Subordinated Notes may only accelerate the maturity of their Subordinated Notes in limited circumstances and, if accelerated, may claim payment only in the bankruptcy or liquidation of the Bank, see Condition 6 of the Notes.

*Subordinated Notes may be subject to loss absorption on any application of the general bail-in tool or at the point of non-viability of the Bank*

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 and investments firms (the **Bank Recovery and Resolution Directive** or **BRRD**) entered into force. In addition to the application of the general bail-in tool to Subordinated Notes (see “*The Council of the European Union has adopted the BRRD which provides for a range of actions to be taken in relation to credit institutions and investment firms 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 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 (which write-down may be in full) or the conversion of them into shares in SEB at the point of non-viability (which CET1 instruments may also be subject to any application of the general bail-in tool) and before any other resolution action is taken.

While any such write-down or concession pursuant to non-viability loss absorption under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings, 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 and even if available would only take the form of shares in SEB.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution or will no longer be viable unless the relevant capital instruments (such as the Tier 2 Subordinated Notes) are written down or converted into equity or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The application of the general bail-in tool 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 Subordinated Notes issued under the Programme and/or the ability of the Bank to satisfy its obligations under Subordinated Notes.

### ***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. 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://sebgroup.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 3C.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.

*The Covered Bond Act is relatively recent legislation and it is uncertain how its provisions 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*".

*The implementation of Basel III and CRD IV will result in changes to the regulatory treatment of covered bonds*

Basel III and CRD IV introduce internationally harmonised minimum requirements for liquidity risk in the form of a Liquidity Coverage Ratio (**LCR**) and a Net Stable Funding Ratio (**NSFR**), which will have an impact on how covered bonds are treated from a regulatory perspective. In the calculation of the LCR, high credit quality covered bonds will, according to Basel III, be included in the stock of high-quality liquid assets up to 40 per cent. of the stock and with a discount of 15 per cent. It is possible that covered bonds with extremely high credit quality and liquidity might be more generously treated under CRD IV. The NSFR is intended to incentivise banks to issue more long-term debt, including covered bonds. However, due to the limitation placed on the percentage of certain assets that may be included in the stock of high-quality liquid assets, banks may in fact be disincentivised to hold covered bonds issued by other banks. The LCR is, according to the latest draft of CRD IV published on 14th June, 2013, expected to be phased in between 2015 and 2018. The NSFR is expected to be subject to a review starting in mid-2013 and to be introduced from 1st January, 2018 if agreed by the EU Council and Parliament following a report to be prepared by the Commission by 31st December, 2016.

An additional quantitative requirement, based on but not the same as the LCR, was implemented by the SFSa as a minimum standard as of 1st January, 2013. According to the Swedish regulation, the SFSa liquidity ratio applies to total liquidity and individually to both euro and U.S. dollar liquidity. It remains unclear how and when the recent update of the LCR standard by the Basel Committee will be taken into account in the upcoming EU framework and in the Swedish specific regulation.

Minimum requirements for liquidity risk (and any relevant changes to them or to any relevant implementing measures) may have implications for investors in the Covered Bonds who are subject to Basel III/CRD IV. Consequently, investors should consult their own advisers as to the implications for them of the application of Basel III/CRD IV and any relevant implementing measures. No predictions can be made as to the precise effects of the implementation of Basel III/CRD IV (including as it and/or any relevant implementing measures may be amended from time to time) on any investor or otherwise.

***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 freely convertible and there are significant restrictions on remittance of Renminbi into and out of the PRC, which may adversely affect the liquidity of investments in Renminbi Notes*

Renminbi is not 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 and 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 (the **Applicable Jurisdictions**) have been permitted to engage in the settlement of current account trade transactions in Renminbi.

On 13th October, 2011, the People's Bank of China (the **PBoC**) promulgated the "Administrative Measures on Renminbi Settlement of Foreign Direct Investment" (the **PBoC FDI Measures**) as part of the implementation of the PBoC's detailed foreign direct investment (**FDI**) accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi-denominated cross-border loans. On 14th June, 2012, the PBoC further issued the implementing rules for the PBoC FDI Measures, which provide more detailed rules relating to cross-border Renminbi direct investments and settlement. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

On 5th July, 2013, the PBoC promulgated the "Circular on Policies related to Simplifying and Improving Cross-Border Renminbi Business Procedures," which sought to improve the efficiency of the cross-border Renminbi settlement process and facilitate the use of cross-border Renminbi settlement by banks and enterprises.

On 3rd December, 2013, the Ministry of Commerce of the PRC (**MOFCOM**) promulgated the "Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment" (the **MOFCOM Circular**), which became effective on 1st January, 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, written approval from the appropriate office of



MOFCOM and/or its local counterparts specifying “Renminbi Foreign Direct Investment” and the permitted capital contribution amount is required for each FDI transaction.

Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular clearly prohibits FDI funds from being used for any investments in securities and financial derivatives (except for investments in PRC listed companies by strategic investors) or for entrustment loans in the PRC.

As the MOFCOM Circular and the PBoC FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

Although from 1st October, 2016, Renminbi will be added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that: (a) the PRC Government will continue to liberalise control over cross-border remittance of Renminbi in the future, (b) that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or (c) new regulations in the PRC will not be promulgated which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. 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 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. The PBoC has established a Renminbi clearing and settlement mechanism for participating banks in the Applicable Jurisdictions through settlement agreements with certain banks (each a **RMB Clearing Bank**) to act as the RMB clearing bank in the Applicable Jurisdictions. Notwithstanding these arrangements, the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in relation to 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. These banks are only allowed to square their open positions with the relevant RMB Clearing Bank after consolidating the Renminbi trade position of banks outside the Applicable Jurisdictions that are in the same bank group of the participating banks concerned with their own trade position, and the relevant RMB Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations in relation to cross-border trade settlements. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from foreign exchange transactions or conversion services. Where onshore liquidity support from the PBoC is not available, the participating banks will need to source Renminbi from outside the PRC to square 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 in the applicable Final Terms, in the event access to Renminbi becomes restricted to the extent that, by reason of RMB Inconvertibility, RMB Non-Transferability or RMB Illiquidity (each as defined in Condition 8D), 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 converted at the Spot Rate, 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 place.

*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. In August 2015, the PBoC implemented changes to the way it calculates the midpoint against the U.S. dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among 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 in the applicable Final Terms, and a RMB Currency Event occurs, in which case payment will be made in U.S. dollars. 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 foreign currencies, then the value of any 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. If a Renminbi Note carries a fixed interest rate, then the trading price of such Renminbi Notes will vary with the fluctuations in Renminbi interest rates. If an investor in Renminbi Notes tries to sell such Renminbi Notes, then it 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 or common safekeeper, as the case may be, 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).

***Risks related to Notes generally***

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

*The Council of the European Union has adopted the BRRD which provides for a range of actions to be taken in relation to credit institutions and investment firms 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 2nd July, 2014 the BRRD entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where an institution is considered as failing or likely to fail: (i) sale of business - which enables resolution authorities to direct the sale of the firm 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 firm 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 firm to meet its repayment obligations; (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publically 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 institution (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including Unsubordinated 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 future cancellation,

transfer or dilution. 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.

An institution 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 at the point of non-viability and before any other resolution action is taken (**non-viability loss absorption**) (see “-Subordinated Notes may be subject to loss absorption on any application of the general bail-in tool or at the point of non-viability of the Bank”). Any shares issued to holders of Tier 2 Subordinated 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 Unsubordinated 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 Unsubordinated 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 firm. 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 Unsubordinated Notes and Subordinated Notes.

The BRRD should have been applied by Member States from 1st January, 2015, except for the general bail-in tool which applies from 1st January, 2016. The BRRD became effective in Sweden on 1st February, 2016. Under the BRRD, resolution authorities must set a MREL for each bank (and/or group) based on criteria including systemic importance. 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.

The powers set out in the BRRD will impact how credit institutions and investment firms 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, non-viability loss absorption, which may result in such holders losing some or all of their investment (in the case of Subordinated Notes, see further “-There is a real risk that holders of Subordinated Notes will lose some or all of their investment should the Bank become insolvent or subject to resolution and the maturity of Subordinated Notes may only be accelerated in limited circumstances and, if accelerated, holders may only claim payment in the bankruptcy or liquidation of the Bank”). Such application could also involve modifications to or the disapplication of provisions in the conditions of the Unsubordinated Notes and Subordinated Notes, including alteration of the principal amount or any interest payable on the Unsubordinated 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.

In the absence of proposed legislation in relation to the Swedish bail-in power, there is some uncertainty as to what protections will be available to holders of securities (including the Notes) subject to any bail-in power and to the broader resolution powers of the relevant Swedish resolution authority. Accordingly, the rights of Noteholders to challenge any decision of the relevant Swedish resolution authority may be limited or circumscribed.

*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 matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

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.

*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.

*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.

*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 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 and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU 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). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**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 and have been filed with the Financial Services Authority and the CBI 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, 2015, as set out in the Bank's annual report (the **2015 Annual Report**) on pages 63 to 155, inclusive (available at [http://sebgroup.com/siteassets/investor\\_relations/annual\\_reports/annual\\_report\\_2015.pdf](http://sebgroup.com/siteassets/investor_relations/annual_reports/annual_report_2015.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, 2014, as set out in the Bank's annual report (the **2014 Annual Report**) on pages 63 to 154, inclusive (available at [http://sebgroup.com/siteassets/investor\\_relations/annual\\_reports/annual\\_report\\_2014.pdf](http://sebgroup.com/siteassets/investor_relations/annual_reports/annual_report_2014.pdf));
- (3) the unaudited consolidated and non-consolidated interim financial statements of the Bank (including the auditors' limited review report thereon) as of and for the three months ended 31st March, 2016 (set out on pages 9 to 35 (inclusive) of the Bank's interim report entitled "Interim report January-March 2015") (the **Interim Report**) (available at [http://sebgroup.com/siteassets/investor\\_relations/interim\\_reports/2016\\_q1\\_interim.pdf](http://sebgroup.com/siteassets/investor_relations/interim_reports/2016_q1_interim.pdf));
- (4) the section entitled "Market Risk" set out on page 30 of the Bank's publication entitled "Fact Book January – March 2016" ([http://sebgroup.com/siteassets/investor\\_relations/factbook/2016\\_q1\\_factbook.pdf](http://sebgroup.com/siteassets/investor_relations/factbook/2016_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 15th June, 2006 (available at [http://sebgroup.com/siteassets/investor\\_relations/debt\\_programs/global\\_programmes/global\\_mtn\\_programme.pdf](http://sebgroup.com/siteassets/investor_relations/debt_programs/global_programmes/global_mtn_programme.pdf));
  - (ii) Information Memorandum dated 2nd November, 2007 (available at [http://sebgroup.com/siteassets/investor\\_relations/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2007.pdf](http://sebgroup.com/siteassets/investor_relations/debt_programs/global_programmes/global_mtn_programme_2007.pdf));
  - (iii) Information Memorandum dated 27th June, 2008 (available at [http://sebgroup.com/siteassets/investor\\_relations/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2008\\_june.pdf](http://sebgroup.com/siteassets/investor_relations/debt_programs/global_programmes/global_mtn_programme_2008_june.pdf));
  - (iv) Information Memorandum dated 29th June, 2009 (available at [http://sebgroup.com/siteassets/investor\\_relations/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2009\\_june.pdf](http://sebgroup.com/siteassets/investor_relations/debt_programs/global_programmes/global_mtn_programme_2009_june.pdf));
  - (v) Information Memorandum dated 18th June, 2010 (available at [http://sebgroup.com/siteassets/investor\\_relations/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2010\\_june.pdf](http://sebgroup.com/siteassets/investor_relations/debt_programs/global_programmes/global_mtn_programme_2010_june.pdf));
  - (vi) Information Memorandum dated 20th June, 2011 (available at [http://sebgroup.com/siteassets/investor\\_relations/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2011\\_june.pdf](http://sebgroup.com/siteassets/investor_relations/debt_programs/global_programmes/global_mtn_programme_2011_june.pdf));
  - (vii) Information Memorandum dated 20th June, 2012 (available at [http://sebgroup.com/siteassets/investor\\_relations/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2012\\_june.pdf](http://sebgroup.com/siteassets/investor_relations/debt_programs/global_programmes/global_mtn_programme_2012_june.pdf));

- (viii) Information Memorandum dated 28th June, 2013 (available at [http://sebgroupp.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2013\\_june.pdf](http://sebgroupp.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2013_june.pdf));
- (ix) Information Memorandum dated 18th June, 2014 (available at [http://sebgroupp.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2014\\_june.pdf](http://sebgroupp.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2014_june.pdf)); and
- (x) Information Memorandum dated 22nd June, 2015 (available at [http://sebgroupp.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2015\\_june.pdf](http://sebgroupp.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2015_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 16 of the Prospectus Directive. 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.

Copies of documents incorporated by reference in this Information Memorandum can be obtained free of charge from The Investor Relations Department of Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-106 40 Stockholm. Requests for such documents should be directed to the Bank at its office set out above. In addition, such documents will be available from the principal office in England of Citibank, N.A., London Branch for Notes admitted to the Official List. Any documents themselves incorporated by reference in the documents incorporated by reference in this Information Memorandum shall not form 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

<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 subordinated or unsubordinated 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>
<b>Denominations:</b>	<p>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 Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p> <p>Notes issued in registered form and offered and sold in the United States pursuant to Rule 144A under the Securities Act must have a minimum denomination as specified in the applicable Final Terms.</p>



<b>Early Redemption:</b>	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.
<b>Taxation:</b>	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.
<b>Governing Law:</b>	The Notes, the Fiscal Agency Agreement, the Dealership Agreement, the Deed of Covenant (as defined under “ <i>Terms and Conditions of the Notes</i> ”), the Deed Poll (as defined under “ <i>Terms and Conditions of the Notes</i> ”) 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 3B to 3C.01 (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 3B to 3C.01 (inclusive) will be governed by, and construed in accordance with, the laws of the Kingdom of Sweden.
<b>Rating:</b>	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.
<b>Listing and admission to trading:</b>	Application has been made to the Irish Stock Exchange 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 Main Securities Market.
<b>Terms and Conditions:</b>	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.
<b>Enforcement of Notes in Global Form:</b>	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.
<b>Clearing Systems:</b>	<p>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 “<i>Book Entry Clearance Systems</i>”.</p> <p>Notes that are intended to be sold in both the United States 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 will clear through Euroclear, Clearstream, Luxembourg and/or any other clearing system specified in the applicable Final Terms. See “<i>Book Entry Clearance Systems</i>”.</p>

**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 United Kingdom) 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, 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 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 number, a CUSIP number and/or a CINS number 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 United States 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 22nd June, 2015, as supplemented by a supplemental agency agreement dated 21st June, 2016 (the **Fiscal Agency Agreement**, which expression shall include any further 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 Deutschland AG in its capacity as alternative registrar (the **Alternative Registrar**, which expression shall include any successor to Citigroup Global Markets Deutschland 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).

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 Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

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 Receiptholders 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, the Final Terms will be published on the website of the Irish Stock Exchange 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 Receiptholders 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 an Unsubordinated Note or a Subordinated Note and, 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.

For this purpose, **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 Unsubordinated Notes, Subordinated Notes or Covered Bonds.

#### 3A. Status – Unsubordinated Notes

**3A.01** This Condition 3A is applicable in relation to Notes specified in the applicable Final Terms as being Unsubordinated Notes. The Notes constitute unsecured and unsubordinated obligations of the Bank and rank *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Bank, present and future, but (in the event of insolvency) only to the extent permitted by laws relating to creditors' rights.

#### 3B. Status – Subordinated Notes

**3B.01** 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, subordinated obligations of the Bank. In the event of the voluntary or involuntary liquidation (*likvidation*) of the Bank or the 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) *pari passu* without any preference among themselves;
- (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 payments to 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, payments to holders of Tier 2 Instruments;
- (iii) in the case of Tier 2 Subordinated Notes, at least *pari passu* with payments to 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;
- (iv) in priority to payments to holders of any outstanding Existing Tier 1 Instruments and Additional Tier 1 Instruments, and 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; and
- (v) junior in right of payment to the payment of any present or future claims of (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank and (c) in the case of Tier 2 Subordinated Notes, holders of Senior Subordinated Notes (subject as provided in (ii)(b) above) 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 and Tier 2 Subordinated Notes, the Bank reserves the right to issue or incur other Senior Subordinated Notes or Tier 2 Subordinated Notes, respectively, in the future, provided, however, that any such Subordinated Notes may not in the event of voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank rank prior to the Senior Subordinated Notes or the Tier 2 Subordinated Notes, as the case may be.

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 IV, the BRRD (as defined in Condition 5.15 and implemented in Sweden, including any amendment or replacement of the relevant implementing provisions) 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 IV** means, taken together, the (i) CRD IV Directive (ii) CRD IV Regulation and (iii) Future Capital Instruments Regulations;

**CRD IV 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 or replaced;

**CRD IV Regulation** 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 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.

**3B.02** No Holder of a Subordinated Note who shall in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank be indebted to it shall be entitled to exercise any right of set-off or counterclaim against money owed by the Bank in respect of that Subordinated Note.

### **3C. Status – Covered Bonds**

**3C.01** This Condition 3C 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 Preferential Rights of Creditors Act (1970:979) (*förmånsrättslagen (1970:979)*). 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 *pari passu* with the claims of unsecured and unsubordinated creditors of the Bank.

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.

For this purpose:

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

**Moody's** means Moody's Investors Services, Inc.

**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.

**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 a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (B) in the case of Fixed Rate 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 Fixed Rate 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:

- (ii) 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;
- (iii) 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
- (iv) 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 4 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 4A 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 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 arithmetic mean of the bid and offered rates for the annual 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 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 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). 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 day which is:

- (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 under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent 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**, **Calculation Agent**, **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*

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. 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 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 shall request each of the Reference Banks (as defined below) to provide the Fiscal Agent 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 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.

If on any Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent 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 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 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 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 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:

**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; 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).

**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 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 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 represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate 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 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:

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

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:

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

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:

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

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 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 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 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 or Condition 8D, whether by the Fiscal Agent or, if applicable, the Calculation Agent and in the case of Condition 8D, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the Fiscal Agent, the Calculation Agent (if applicable), 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 the Calculation Agent (if applicable and in the case of Condition 8D) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

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

**4D.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 5.17, 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 4E. In that event, interest shall be payable on those Notes at the rate determined in accordance with Condition 4D.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.

**4D.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 5.17, 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 two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms.

**4D.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 4D, 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.

**4D.04** This Condition 4D 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 5.17.

#### **4E. 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 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 for Taxation Reasons: Unsubordinated Notes and Senior Subordinated Notes*

**5.02** If, in the case of Unsubordinated Notes and Senior Subordinated Notes only, as a result of any change in or amendment to applicable law (which change or amendment occurs after the Issue Date of the first Tranche of the Notes), the Bank determines that 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, then 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.

#### *Early Redemption upon a Tax Event: Tier 2 Subordinated Notes*

**5.03** This Condition 5.03 applies to Tier 2 Subordinated Notes only. 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.

For this purpose, **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 it would (a) 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) 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, *provided that* any change pursuant to the proposal announced by the government of the Kingdom of Sweden on 30th March, 2016 that interest on subordinated debt that qualifies as Additional Tier 1 capital and/or Tier 2 capital be disallowed for deduction for tax purposes shall not constitute a Tax Event.

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

**5.04** 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.

**5.05** The appropriate notice referred to in Conditions 5.02, 5.03, 5.04 and 5.06 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.

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

**5.06** 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.

#### *Partial Redemption*

**5.07** 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)*

**5.08** If the Notes are Unsubordinated 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 5.08 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 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*

**5.09** 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; and
- (b) each Zero Coupon Note will be redeemed, at an amount (the **Amortised Face 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*

**5.10** 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*

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

### *Cancellation of Redeemed and Purchased Notes*

**5.12** All unmatured Notes redeemed or purchased in accordance with this Condition 5 and all unmatured 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*

**5.13** 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*

**5.14** 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.

For this purpose, a **Capital Event** means the determination by the Bank after consultation with the SFSA that as a result of a change 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 fully excluded from inclusion in the Tier 2 capital of the Bank.

### *Redemption upon an Eligible Liabilities Event: Senior Subordinated Notes*

**5.15** If the Notes are Senior Subordinated Notes and Eligible Liabilities Event is specified as applicable in the applicable Final Terms, 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 Senior 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 Senior 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.

For this purpose:

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced.

An **Eligible Liabilities Event** means the determination by the Bank after consultation with the Resolution Authority that as a result of the implementation in Sweden of the BRRD or, following such implementation, a change 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 fully excluded from inclusion in the amount of eligible liabilities of the Bank for the purposes of Article 45 of the BRRD (as implemented in Sweden and including any amendment or replacement of the relevant implementing provisions) or Applicable Banking Regulations.

**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 (as implemented in Sweden and including any amendment or replacement of the relevant implementing provisions) 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).

*SFSA approval*

**5.16** Any redemption or purchase of Subordinated Notes pursuant to Conditions 5.02, 5.03, 5.04, 5.06, 5.11, 5.14 or 5.15 is subject to the prior approval of the SFSA.

*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 Principal Paying 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 4D.

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 – Unsubordinated Notes**

**6A.01** This Condition 6A is applicable in relation to Notes specified in the applicable Final Terms as being Unsubordinated 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 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 – Subordinated Notes**

**6B.01** This Condition 6B is applicable in relation to Notes specified in the applicable Final Terms as being Subordinated Notes. If:

- (i) the Bank shall default in the payment of principal in respect of any Note which has become due and payable in accordance with its terms for a period of seven days or the Bank shall default in the payment of interest on any Notes for a period of 30 days; 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,

the Holder of any Note may:

- (a) (in the case of (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 (ii) above), prove or claim 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.

**6B.02** In any of the events or circumstances described in Condition 6B.01(ii) above, the Holder of any Note may, 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 but subject to such Holder only being able to claim payment in respect of the Note in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank.

**6B.03** The Holder of any Note may at its discretion institute such proceedings against the Bank as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Bank under the Notes (other than, without prejudice to Conditions 6B.01 or 6B.02 above, any obligation for the payment of any principal or interest in respect of the Notes) provided that the Bank shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, except with the prior approval of the SFSA.

**6B.04** No remedy against the Bank, other than as provided in Conditions 6B.01, 6B.02 above and 6B.03 above shall be available to the Holders of Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Bank of any of its obligations or undertakings under the Notes.

## **6C. 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 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 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;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) 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 Exchange Agent named in the Fiscal Agency Agreement on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Fiscal Agency Agreement.

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) in:
  - (a) in the case of Notes in definitive form only, the relevant place of presentation;
  - (b) any Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms; and
  - (c) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (ii) 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
- (iii) 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 elected to receive any part of such payment in 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;

**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 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 Operations” (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**

**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 3B to 3C.01 (inclusive), 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 3B to 3C.01 (inclusive) 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.

## **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.

## 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 European Economic Area.

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, following a recent amendment, 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.



## **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<sup>1</sup>

*Set out below is the pro forma Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than €100,000 (or its equivalent in another currency).*

*[Date]*

### SKANDINAVISKA ENSKILDA BANKEN AB (publ)

#### 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

Any person making or intending to make an offer of the Notes may only do so [:

- (i) in those Non-exempt Offer Jurisdictions mentioned in Paragraph 8(viii) of Part B below, provided such person is a Dealer or Authorised Offeror (as such term is defined in the Information Memorandum) and that the offer is made during the Offer Period specified in that paragraph and that any conditions relevant to the use of the Information Memorandum are complied with; or
- (ii) otherwise]<sup>2</sup> in circumstances in which no obligation arises for the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Bank nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

### 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 21st June, 2016 [*refer also to any relevant supplements*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Information Memorandum**). This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum. Full information on the Bank and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum. A summary of the Notes (which comprises the summary in the Information Memorandum as completed to reflect the provisions of these Final Terms) is contained in these Final Terms. The Information Memorandum is available for viewing at, and copies may be obtained from, the Central Bank of Ireland's website at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie). In addition, if the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange, copies of the Final Terms will be published on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).

*[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.]*

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 21st June, 2016. This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum dated 21st June, 2016 [*refer also to any relevant supplements*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Information Memorandum**) including the Conditions incorporated by reference in the Information Memorandum. Full information on the Bank and the offer of the securities is only available on the basis of the combination of these Final Terms and the Information Memorandum. A summary of the Notes (which comprises the summary in the Information Memorandum as completed to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Information Memorandum is available for viewing at, and copies may be obtained from, the Central Bank of Ireland's website at

<sup>1</sup> Where the Note is (i) not the subject of a public offer which requires the publication of a prospectus under the Prospectus Directive and (ii) not listed on the Official List of the Irish Stock Exchange and not admitted to trading on the regulated market of the Irish Stock Exchange or on any other regulated market in the EEA, all references to the Prospectus Directive and final terms for the purposes of the Prospectus Directive, shall be deleted.

<sup>2</sup> Include this wording where a non-exempt offer of Notes is anticipated.

<http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx?DisplayID=22874> [and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie)]. In addition, if the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange, copies of the Final Terms will be published on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).]

*[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. (a) **Specified Denominations:** [ ]
 

*(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)* *(N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the (1,000 minimum denomination is not required.).*
- (b) 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. N.B. 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>3</sup>
- 9. (i) Extended Maturity:** [Applicable/Not Applicable]
- (ii) Extended Maturity Date:** [[ ]<sup>4</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 5.17.]
- [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/STIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(see paragraph [15]/[16]/[17]/[18] below)
- [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

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<sup>3</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>4</sup> This may be up to one year from the Maturity Date.

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]  
(N.B. Investor Put only applicable to Unsubordinated Notes)
- 14.** (i) Type of Note: [MTN/Covered Bond]  
(ii) Status of MTN: [Unsubordinated/Subordinated/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>5</sup>  
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount<sup>6</sup>
- (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>7</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.)]

<sup>5</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>6</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>7</sup> Applicable to Renminbi denominated Fixed Rate Notes.

(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: [ ]
- (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]
- (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)*
- (vii) 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 EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (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]
- 18. Zero Coupon Provisions:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*

- (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>8</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>9</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>10</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))*
- (ii) Floating Rate Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs)*

<sup>8</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>9</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>10</sup> Applicable to Renminbi denominated Fixed Rate Notes.



*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 [Screen Rate Determination/ISDA Determination]  
Interest is to be determined:
- (e) Party responsible for calculating [Fiscal Agent: [name]/other]  
the Rate of Interest:
- (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)*
- (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 EURIBOROL 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 5.05:** [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. N.B. Investor Put only applicable to Unsubordinated 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  
*(N.B. 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]]
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):
- (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

[Application has been made by the Bank (or on its behalf) for the Notes to be admitted to [the Official List of the Irish Stock Exchange and to] trading on [the Regulated Market of the Irish Stock Exchange] 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 Listing Authority/Luxembourg Stock Exchange*)] with effect from [●].] [Not Applicable]

### 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 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*]

[*N.B. 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 16 of the Prospectus Directive*]

### 4. REASONS FOR THE OFFER; ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the Offer: [ ]

[*(See “Use of Proceeds” wording in Information Memorandum – if reasons for offer different from*

*making profit and/or hedging certain risks will need to include those reasons here and then also complete (ii) and (iii) below.)*

(ii) Estimated net proceeds: [ ]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) Estimated total expenses: [ ]

*[Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.]*

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. **HISTORIC INTEREST RATES** (*Floating Rate Notes only*)

[Details of historic [LIBOR/EURIBOR/STIBOR] rates can be obtained from [Reuters].]

## 7. **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][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 ECB 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][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 ECB being satisfied that Eurosystem eligibility criteria have been met.]

(ii) ISIN: [ ]

- (iii) Common Code: [     ]
- (iv) CUSIP: [     ]
- (v) CINS: [     ]
- (vi) Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and The Depository Trust Company and the relevant identification number(s): [Not Applicable/give *name(s)* and *number(s)*]
- (vii) Whether Register is held by the Principal Registrar or the Alternative Registrar: [Principal/Alternative] Registrar
- (viii) Delivery: Delivery [against/free of] payment
- (ix) Names and addresses of additional Paying Agent(s) (if any): [     ]

## 8. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers and underwriting commitments/quotas (material features): [Not Applicable/give *names, addresses and underwriting commitments*]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (iii) Date of Subscription Agreement: [     ]
- (iv) Stabilisation Manager (if any): [Not Applicable/give *name*]
- (v) If non-syndicated, name and address of relevant Dealer: [Not Applicable/give *name and address*]
- (vi) Total commission and concession: [     ] per cent. of the Aggregate Nominal Amount
- (vii) U.S. selling restrictions: Reg. S Category 2. [Rule 144A] [TEFRA D/TEFRA C/TEFRA not applicable]
- (viii) Non-exempt Offer: [Applicable] [Not Applicable] *(if not applicable, delete the remaining placeholders of this paragraph (viii) and also paragraph 9 below).*
- Non-exempt Offer Jurisdictions: *[Specify relevant Member State(s) where the issuer intends to make Non-exempt Offers (where the Information Memorandum lists the Non-exempt Offer Jurisdictions, select from that list), which must therefore be jurisdictions where the Information Memorandum and any supplements have been passported (in addition to the jurisdiction where approved and published)]*
- Offer Period: *[Specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [ ● ] Business Days thereafter"]*

Financial intermediaries granted specific consent to use the Offering Circular in accordance with the Conditions in it: *[Insert names and addresses of financial intermediaries receiving consent (specific consent)]*

General Consent: [Not Applicable][Applicable]

Other Authorised Offeror Terms: [Not Applicable][Add here any other Authorised Offeror Terms].

*(Authorised Offeror Terms should only be included here where General Consent is applicable)*

*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a Non-exempt offer where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non- exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*

## 9. [TERMS AND CONDITIONS OF THE OFFER

(Delete whole section if sub-paragraph 8(viii) above is specified to be Not Applicable because there is no Non-exempt Offer)

Offer Price: [Issue Price/Not Applicable/specify]

Conditions to which the offer is subject: [Not applicable/give details]

Description of the application process: [Not applicable/give details]

Details of the minimum and/or maximum amount of application: [Not applicable/give details]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable/give details]

Details of the method and time limits for paying up and delivering the Notes: [Not applicable/give details]

Manner in and date on which results of the offer are to be made public: [Not applicable/give details]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not applicable/give details]

Whether tranche(s) have been reserved for certain countries: [Not applicable/give details]

Process for notification to applicants of the amount allotted and an indication of whether dealing may begin before notification is made: [Not applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable/give details]

Name(s) and address(es), to the extent known to the Bank, of the placers in the various countries where the offer takes place:

[The Authorised Offerors identified in paragraph 8 above and identifiable from the Information Memorandum/None/*give details*]

[Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:]

[None/*give details*]

#### **10. 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.]



**ANNEX**  
**SUMMARY OF THE NOTES**

Set out below is the pro forma Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination equal to or higher than €100,000 (or its equivalent in another currency).<sup>1</sup>

[Date]

## SKANDINAVISKA ENSKILDA BANKEN AB (publ)

### 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

#### 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 21st June, 2016 [*refer also to any relevant supplements*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Information Memorandum**). This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum. Full information on the Bank and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum. The Information Memorandum is available for viewing at, and copies may be obtained from, the Central Bank of Ireland's website at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie). In addition, if the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange, copies of the Final Terms will be published on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).

*[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.]*

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 21st June, 2016. This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum dated 21st June, 2016 [*refer also to any relevant supplements*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Information Memorandum**) including the Conditions incorporated by reference in the Information Memorandum. Full information on the Bank and the offer of the securities is only available on the basis of the combination of these Final Terms and the Information Memorandum. The Information Memorandum is available for viewing at, and copies may be obtained from, the Central Bank of Ireland's website at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> [and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie)]. In addition, if the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange, copies of the Final Terms will be published on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).]

*[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. | <b>Issuer:</b>  | Skandinaviska Enskilda Banken AB (publ)  |
| 2. | (i) <b>Series Number:</b>   | [ ]  |
|    | (ii) <b>Tranche Number:</b>   | [ ]  |
|    | (iii) <b>Date on which the Notes will be consolidated and form a single Series:</b> | [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] |

<sup>1</sup> Where the Note is (i) not the subject of a public offer which requires the publication of a prospectus under the Prospectus Directive and (ii) not listed on the Official List of the Irish Stock Exchange and not admitted to trading on the regulated market of the Irish Stock Exchange or on any other regulated market in the EEA, all references to the Prospectus Directive and final terms for the purposes of the Prospectus Directive, shall be deleted.

for interests in the Permanent Global Note, as referred to in paragraph 26 above, 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. (a) **Specified Denominations:** [ ]

(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)

*(N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*

*(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].”)*

(b) **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. N.B. 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>2</sup>
9. (i) **Extended Maturity:** [Applicable/Not Applicable]
- (ii) **Extended Maturity Date:** [[ ]]<sup>3</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

<sup>2</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>3</sup> This may be up to one year from the Maturity Date.

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/STIBOR] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 (see paragraph [15]/[16]/[17]/[18] below)

[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]  
 (N.B. Investor Put only applicable to Unsubordinated Notes)

**14. (i) Type of Note:**

[MTN/Covered Bond]

**(ii) Status of MTN:**

[Unsubordinated/Subordinated/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>4</sup>
- (NB: This will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount<sup>5</sup>
- (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>6</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]

<sup>4</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>5</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>6</sup> Applicable to Renminbi denominated Fixed Rate Notes.

- (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: ☐
- (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]
- (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)*

(vii) 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 EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

(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]

**18. Zero Coupon Provisions:**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(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>7</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>8</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>9</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))*
- (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 [Fiscal Agent: [name]/other]

<sup>7</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>8</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>9</sup> Applicable to Renminbi denominated Fixed Rate Notes.



the Rate of Interest:

(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)*

(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 EURIBOR01 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 5.05: [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. N.B. Investor Put only applicable to Unsubordinated 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
- (N.B. 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]]
- (N.B. The exchange upon notice options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 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 the Irish Stock Exchange and to] trading on [the Regulated Market of the Irish Stock Exchange] 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 Listing 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.

TPEx is not responsible for the contents of these Final Terms or the Information Memorandum and no representation is made by TPEx as to the accuracy or completeness of these Final Terms or the Information Memorandum. 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.

*(N.B. 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 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.]

*(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*]

*[N.B. 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 16 of the Prospectus Directive]*

### 4. REASONS FOR THE OFFER; ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the Offer: [ ]

(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 ECB 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 ECB being satisfied that Eurosystem eligibility criteria have been met.]

- (ii) ISIN: [ ]
- (iii) Common Code: [ ]
- (iv) CUSIP: [ ]
- (v) CINS: [ ]
- (vi) Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and The Depository Trust Company and the relevant identification number(s): [Not Applicable/give *name(s)* and *number(s)*]
- (vii) Whether Register is held by the Principal Registrar or the Alternative Registrar: [Principal/Alternative] Registrar
- (viii) Delivery: Delivery [against/free of] payment
- (ix) 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) Date of Subscription Agreement: [ ]
- (iv) Stabilisation Manager (if any): [Not Applicable/give *name*]
- (v) If non-syndicated, name and address of relevant Dealer: [Not Applicable/give *name and address*]
- (vi) U.S. selling restrictions: Reg. S Category 2. [Rule 144A] [TEFRA D/TEFRA C/TEFRA not applicable]

## 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 Denmark, Finland, Norway and Germany, 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, 2016, SEB had total assets of SEK 2,700 billion and total equity of SEK 126 billion. For the three months ended 31st March, 2016, SEB's net profit was a loss of SEK -2.3 billion and for the year ended 31st December, 2015, SEB's net profit was SEK 16.6 billion.

Since 1st January, 2016, SEB's business structure comprises three customer-aligned business divisions and one division which supports all customers. The customer-aligned business divisions are:

- *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. This division comprises two separate business areas, large corporations and financial institutions;
- *Corporate & Private Customers* – provides banking and advisory services to private individuals and small and medium sized enterprises (SMEs) and mid-sized corporates in Sweden and card services in the Nordic countries; and
- *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 wealth management services provided in these countries are recorded in the Large Corporate & Financial Institutions and the Life & Investment Management divisions, respectively.

The customer support division, *Life & Investment Management*, comprises two separate business areas: life and investment management. This division provides all of the Group's different customer segments with pension and insurance products and also manages SEB's mutual funds.

As of 31st March, 2016, SEB's customer base consisted of approximately 3,000 large corporate and institutional customers, approximately 257,000 full-service SMEs and approximately 1.3 million private individual full-service clients. At the same date, SEB had 277 retail branch offices in Sweden and the Baltic countries. Outside its core markets, SEB has a strategic presence, through its international network in 20 countries, to support and service mainly its large corporate and institutional customers. As of 31st March, 2016, SEB had 15,416 full time equivalent employees (FTEs), of which about half were located outside Sweden.

### 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 more than 150-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. SEB was ranked as the best corporate bank in Sweden, and the overall second best bank in the Nordic area in relation to corporate banking, by TNS SIFO

Prospera in 2015. 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. 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 household lending and one of the two largest banks as measured by long-term savings, according to data from the Swedish Insurance Federation and Sparbarometern as of 31st December, 2015. In asset management, SEB is the second largest asset manager in the Nordic region with assets under management of SEK 1,637 billion as of 31st March, 2016 (based on a comparison of total SEB assets under management and assets under management reported by other banks in the Nordic region).

In the insurance market, SEB is a leading provider of unit-linked insurance in the Nordic region, where it shared first ranking 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, 2015, with a market share of 16.5 per cent. during the preceding twelve months, according to data from the Swedish Insurance Federation and the SFSA.

SEB's share of total life insurance premiums paid (both on new and existing policies) in Sweden as of 31st December, 2015 was 7 per cent., according to data from the Swedish Insurance Federation and the SFSA.

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 2015, SEB was recognised as the best private bank in the Baltics by Professional Wealth Management (PWM). In 2015, SEB won awards from Global Finance Magazine for the best consumer digital bank in each of Estonia, 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 and Germany). Moreover, SEB continues to maintain a strong focus on improving its operational efficiency. The stability of SEB's revenue base and its commitment to operational efficiency are demonstrated by its generation of operating profits in each quarter during the financial years 2013, 2014 and 2015. In the first quarter of 2016, the results were impacted by a technical impairment of goodwill and other one-off financial effects from restructuring activities in the Baltic and German businesses and a write-down (derecognition) of intangible IT-assets no longer in use. These one-off effects meant that SEB reported a negative operating profit for the first quarter of 2016. However, if these one-off effects were excluded, SEB's operating profit would be positive for the first quarter of 2016.

### **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, 2016, total deposits and borrowing from the public (excluding deposits from central banks, credit institutions, repos and debt instruments) amounted to SEK 947 billion, or 53 per cent. of its total funding base, and the ratio of loans to deposits (excluding repos and debt instruments) was 136 per cent., which SEB believes compares favourably to its Nordic peers. 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 2013, 2014 and 2015 and in the first three months of 2016, SEB raised the equivalent of SEK 120 billion, SEK 92 billion, SEK 95 billion and SEK 47 billion, respectively, in long-term funding in the domestic Swedish and international covered bond and senior unsecured debt markets. SEB also issued EUR 1.0 billion of Tier 2 subordinated debt in the international capital markets in May 2014 and U.S.\$1.1 billion of Temporary Write-Down AT1 Notes in November 2014. Mortgage covered bonds accounted for 19 per cent. of SEB's total funding base as of 31st March, 2016.

## 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.

SEB's three-year business plan (2016 to 2018) envisages that it will continue its growth in areas of strength in the Nordic countries and Germany, principally through a comprehensive focus on customer service and that SEB will also seek to maintain its strong financial position and cost efficiency to deliver shareholder value.

In light of rapidly developing trends in the areas of customers, technology, regulation and increased competition, SEB intends to enhance its customer service by focusing on:

- ***Delivering world-class service.*** SEB's main target is to achieve a leading position in all relevant customer satisfaction surveys across all relevant industries as well as increasing its share of its customers' wallets as the best proxy of customer loyalty. SEB aims to service both existing and new customers by fully understanding their needs both through a detailed analysis of the steps that customers take to engage with SEB and through insights gained from leading service providers across all relevant industries.
- ***Digitisation.*** In order to make SEB more accessible and convenient for its customers, SEB aims to help its clients use multiple channels to interact with it, using the latest tools, interfaces and technology in relevant markets. SEB intends to use next-generation customer relationship management systems based on advanced analytics to deliver timely, trusted and relevant information and tailored services to all customer segments. In addition, a selection of key processes will be automated to increase efficiency. The overall goal is for customers to be able to access a complete offering, regardless of channel, and to guide sales and support to the most suitable channel. SEB also aims to explore and implement innovative ways of working, including through partnerships and joint ventures.
- ***Next generation competences.*** SEB believes that competences such as service design, data analytics, algorithms and IT development will become more important in order to provide a leading customer experience. To achieve this, SEB needs to ensure that it attracts the right talent and provides the right training to existing employees. Accordingly, SEB aims to be the most attractive employer across industries among large organisations.

At a Group level, SEB's IT activities have increased their focus on customer segments, rather than systems and products. Key steps initiated in 2015 and to date in 2016 include:

- the creation of a digital banking unit that operates across business divisions to ensure that SEB has a digital offering covering all distribution channels and customer segments; and
- the launch of SEB's "innovation lab", designed to facilitate innovation at SEB by allowing employees to develop their ideas during a limited period of time in a creative environment.

To continue developing SEB's culture to support the desired ways of working, SEB has adopted the following values to define the key behaviours expected from all employees:

- ***Customers first*** – employees put customers' needs first, always seeking to understand how to deliver real value;
- ***Commitment*** – employees are personally dedicated to the success of customers and accountable for their actions;
- ***Collaboration*** – employees achieve more because they work together; and

- ***Simplicity*** – employees strive to simplify what is complex.

At a divisional level, each of the new divisions has defined key activities based on the strategic focus areas discussed above.

#### *Large Corporates & Financial Institutions division*

The overall ambition for this division is to be the undisputed leading Nordic bank for large corporates and financial institutions and the preferred bank for targeted German corporates.

SEB is a leading corporate and institutional bank in the Nordic countries in terms of overall performance according to clients and their willingness to recommend SEB to others, according to the annual survey by TNS SIFO Prospera for 2015 and is looking to continue to exploit and hold that position to increase further its market shares.

The main activity for the large corporates business area will continue to be the expansion of its footprint in the Nordics and in Germany. The focus is on increasing share of wallet and expanding the client base. The long-term targets are (i) to reach the same share-of-wallet level for targeted clients in Germany (where SEB has been a wholesale bank for more than 35 years) as in the Nordic countries (excluding Sweden) and (ii) for the Nordic business (excluding Sweden) to increase cross selling to customers to a level closer to the one achieved with Swedish customers. SEB believes that its new business structure will enable it to further strengthen its position as a strategic partner to its customers and thus assist in attracting a larger share of their wallet. With a focus on improving profitability, large corporate customers as well as the products targeted at them are being reviewed from a profitability perspective. In 2015 and 2014, SEB was ranked as the best corporate bank in Sweden, according to TNS SIFO Prospera.

In relation to the financial institutions business area, SEB aims to continue developing its customer relationships. Planned activities in this area include strengthening SEB's house bank concept for Nordic financial institutions by offering products ranging from custody and cash management to bespoke investment opportunities. In addition, SEB is building capacity in the sourcing and distribution of illiquid assets for life and pension funds and insurance companies, and delivering on its prime service offering, where SEB manages clients' reporting, risk, valuation and collateral handling, which are increasingly important services as regulators introduce more requirements. Further, SEB also aims to continue leveraging its position in financing environmentally friendly initiatives, including through the use of capital markets products such as bonds also known as "Green Bonds".

SEB is currently rated the second best bank for tier 1 (larger) financial institutions in the Nordic countries and in Sweden for financial institutional clients in terms of overall performance according to clients and their willingness to recommend SEB to others, according to the annual survey by TNS SIFO Prospera for 2015 published in December 2015, and is looking to continue to exploit that position to increase further its market shares.

#### *Corporate & Private Customers division*

The overall ambition for this division is to become the leading bank for SMEs and mid-sized corporates and private individuals in Sweden. Prioritised activities in 2016 include automating key customer processes, such as on-boarding, mortgage origination and advisory, thereby promoting growth and efficiency gains.

In light of the prominence of digital channels such as SEB's mobile phone bank and a continued downward trend in the number of branch visits, SEB is reviewing its branch distribution network, focusing on density, location, purpose and focus.

To further align the service offering with customers' changing behaviours, SEB also intends to increase proactivity through sales driven advisory and digital support within its contact centres and to reduce transaction-driven matters.

SEB has the exclusive right to use the Eurocard name in Sweden, Norway and Denmark and, since its acquisition of Nets Oy's Eurocard business, in Finland in April 2014. In November 2014, SEB acquired DNB's portfolio of credit cards issued to companies in Norway. The acquisition included all of DNB's issued credit cards to both large and small corporate customers. In total, 19,000 customers and 85,000 credit cards were acquired. As a result of these acquisitions, SEB expects to become the market leader for business cards throughout the Nordic region.

In order to support continued growth in lending to Swedish SMEs and mid-size corporates, SEB has launched an automated credit granting process, aiming at reducing credit administration for front office personnel and increasing the time they spend with clients on sales activities. Sales activities are also expected to be enhanced by a new customer relationship management system that provides corporate advisors with information on sales potential, to increase cross-selling and share of customers' wallet. Efficiency improvements are also anticipated through automation efforts around key corporate customer interactions and the development of a new customer acquisition process (including know your customer procedures), with digital signatures and contract handling, and a remote advisory process.

SEB's Swedish SME business has grown from historically modest levels of market share to a market share of approximately 15 per cent., measured by the number of SME customers compared to actively registered companies, as of 31st March, 2016. The number of full-service customers in the SME segment has increased to 161,000 as of 31st March, 2016, and loans to Swedish SMEs have increased from SEK 155 billion as of 31st December, 2012 to SEK 201 billion as of 31st March, 2016. SEB was ranked second with respect to customer satisfaction in the SME segment out of the four major Swedish banks, according to a report from SKI (the Swedish Quality Index) in October 2015.

In order to improve customer experience, and at the same time substantially increase internal efficiency, SEB intends to digitise prioritised corporate customer business on an "end-to-end" basis. To further enhance the customer experience, SEB intends to personalise information and offerings by using advanced customer relationship management analytics and notifications. As a result, SEB aims to be able to give all of its corporate customers life-cycle driven advice and to contribute to their daily financial control.

In relation to its private customers, SEB continues to develop the universal banking model under which these customers benefit from a full product and service offering, by using multi-channel customer interaction. The objective is to offer personalised advice in a more efficient and reliable manner and also to exploit economies of scale for products and services demanded across client channels.

SEB is also discussing additional service automation activities with potential financial technology partners with a view to enhancing customer experience by improving SEB's capability to use each customer's information in such a way that each customer feels that SEB has a greater insight in relation to it.

SEB also aims to expand its private banking business in the Nordic countries.

The Banker and Professional Wealth Management named SEB as the best private bank in Sweden in 2015 for the fifth consecutive year. To bolster its offering, SEB is also working on reducing complexity in its fund offering and enhancing its private banking services.

#### *Baltic division*

SEB's overall goal in the Baltic region is to grow the number of full-service customers in the private and corporate segments and increase cross-selling, while improving customer connectivity, including their usage of remote advisory channels.

For private customers, leveraging the full-service strategy means focusing on advisory with the aim of increasing customer loyalty, providing new sources of revenue and enhancing the customer's experience through digitisation and the use of improved remote channels and advanced analytics. For corporate customers, SEB intends to extend its Baltic client coverage and strengthen its advisory capability. A corporate e-channel strategy is expected to be developed and capital markets advisory reestablished. Baltic branch numbers are expected to be further reduced, with less staff handling cash transactions and an increasing focus on advisory services.

#### *Life & Investment Management division*

Within the life business area, SEB aims to provide a one-stop shop for pension advice and products and to be the leading pension provider in the Nordic and Baltic region by leveraging the banc-assurance model, in close cooperation with SEB's other divisions. By further automating its business model, SEB expects to improve efficiency from customer delivery to back-end closing. In addition, SEB believes that its business reorganisation will enable it to give clients a full view of their financial engagement with SEB, something that it expects will be a key differentiator from its competitors. Based on this full overview of customer data, and through leveraging its new customer relationship management capabilities, SEB aims to proactively target customers with relevant insurance offerings.

Within the investment management business area, SEB aims to provide its clients with value-added asset management services based on niche competence, technology-driven innovation and a focus on sustainability.

To reduce complexity and improve efficiency, the business area will continue to reduce the number of funds it manages and offers. SEB's focus on improving fund performance is reflected in its Morningstar ranking, which has improved from fifth at the beginning of 2013 to reaching the leading position in Morningstar's long-term performance valuation of the largest fund providers in the first quarter of 2016 in Sweden. SEB's goal is to be the leading provider.

### **Uncertain banking environment**

The banking environment remains uncertain and continues to require a strong and resilient foundation on which SEB can pursue its strategic direction. Having the required flexibility to accelerate or temper growth as needed, together with the capacity and focus to execute the strategy, will remain the key to success. To further strengthen SEB's resilience, work on a competitive and effective cost base has intensified since 2011. In 2013, SEB's target was to bring its total operating costs below SEK 22.5 billion. In 2014 and 2015, SEB's target was to maintain its total operating costs at less than 22.5 billion. In 2013, 2014 and 2015, SEB's total operating costs were SEK 22.3 billion, SEK 22.1 billion and SEK 22.2 billion, respectively. The target for 2016 and 2017 is to continue to maintain total operating costs below SEK 22.5 billion.

SEB's Board of Directors 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;
- maintain credit ratings that support competitive access to funding and position SEB as a viable counterparty in the financial markets;
- generate a return on capital that is competitive with its peers and, in the long-term, aspire to reach 15 per cent.; and
- maintain a CET1 capital ratio of around 1.5 per cent. above the SFSA required level.

These targets are expected to be reviewed annually. SEB cannot assure potential investors that its targets will be met. See "*Forward-looking statements*".

### **HISTORY**

Skandinaviska Enskilda Banken AB (publ) was incorporated under the laws of Sweden in 1972 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 (now SEB 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, in April 2006, SEB acquired the Russian bank, PetroEnergoBank (renamed SEB Bank in the autumn of 2007). In 2007, SEB expanded in Ukraine by

purchasing Factorial Bank, a bank with 65 branch offices in eastern Ukraine. In 2008, SEB acquired GMAC Commercial Finance Sp. z o.o. (**GMAC Commercial Finance**) in Poland, expanding its product offerings in the country to factoring and related services.

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 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.

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.

## 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 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, 2016:

Share series	Number of shares	Number of votes	Percentage of all	
			capital	votes
A .....	2,170,019,294	2,170,019,294	98.9	99.9
C .....	24,152,508	2,415,215	1.1	0.1
<b>Total</b> .....	<b>2,194,171,802</b>	<b>2,172,434,545</b>	<b>100.0%</b>	<b>100.0%</b>

On 30th April, 2016 the Bank had approximately 278,000 shareholders. As of 30th April, 2016, the ten largest and 100 largest shareholders held 42.4 per cent. and 68.7 per cent., respectively, of the Bank's total share capital, and 42.7 per cent. and 68.9 per cent., respectively, of the total votes in the Bank. Approximately 177,000 shareholders, or around 63 per cent. of all shareholders held 500 shares or less as of 30th April, 2016. Non-Swedish shareholders held 27.6 per cent. of the Bank's capital as of 30th April, 2016. 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, 2016 there were five shareholders in the Bank holding more than 2.5 per cent. of the share capital, as shown in the table below.

30th April, 2016	Number of shares	of which A shares	of which C shares	Percentage of all	
				shares	votes
Investor AB .....	456,198,927	452,198,555	4,000,372	20.8	20.8
Alecta <sup>1)</sup> .....	153,600,000	153,600,000	—	7.0	7.1
Trygg Foundation <sup>2)</sup> .....	130,673,802	130,673,802	—	6.0	6.0
Swedbank Robur Funds .....	83,789,746	83,789,746	—	3.8	3.9

30th April, 2016	Number of shares	of which A shares	of which C shares	Percentage of all	
				shares	votes
AMF Insurance & Funds .....	76,296,694	76,296,694	—	3.5	3.5

1) Sw: Alecta pensionsförsäkringömsesidig.

2) Sw: Trygg-Stiftelsen.

Source: Euroclear AB Sweden

## 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

SEB manages its business through four business divisions: Large Corporates & Financial Institutions, Corporate & Private Customers, Baltic, and Life & Investment Management.

SEB's business divisions are supported by common Group support functions – Business Support and Group Staff.

### Large Corporates & Financial Institutions

The Large Corporates & Financial Institutions division is primarily responsible for SEB's activities relating to large corporations, banks, financial institutions and commercial real estate clients, including responsibility for risk and profitability.

The division is also responsible for developing and providing products and services to all divisions within the areas of:

- Markets – which includes foreign exchange, fixed-income, equities, commodities, futures, prime brokerage and securities-related financing solutions, such as derivatives and structured derivatives product clusters as well as responsibility for managing the market risk, trading strategies within equity, fixed-income, commodities and foreign exchange markets and sales within these areas;
- Transaction Banking – which includes asset servicing, cash management, liquidity management and payment services, trade and supply chain financing and working capital solutions product clusters; and
- Investment Banking – which includes responsibility for advisory related to mergers and acquisitions, equity capital markets, debt origination (bonds and loans) and loan syndication and responsibility for acquisition finance, asset finance, export finance, project finance, shipping finance and venture capital.

The Large Corporates & Financial Institutions division also provides asset management services to institutions and life insurance companies.

SEB's Large Corporates & Financial Institutions division operates in the Nordic countries and Germany and is supported through SEB's network of international branches, subsidiaries and representative offices in London, New York, Singapore, Luxembourg, Beijing, Shanghai, Warsaw, Moscow, New Delhi, Hong Kong and elsewhere.

### Corporate & Private Customers

SEB's Corporate & Private Customer division provides services mainly to private individuals, SMEs and mid-sized corporates. The Corporate & Private Customer division consists of three business areas:

- Retail Sweden;
- Card (the SEB Kort Bank AB group of companies); and
- private banking business activities.

As of the date of this Information Memorandum, the Corporate & Private Customers division serves approximately 480,000 full-service private customers and approximately 161,000 SME customers. This division's product range includes advisory services, mortgage and other lending, savings products and cards for both SMEs and private individuals in Sweden.

SEB's Corporate & Private Customers division's customers have access to the range of SEB's product offerings and services through 164 branch offices in Sweden as of 31st March, 2016, internet and mobile telephone banking and personal telephone banking services. The Corporate & Private Customers division also provides automatic bank service machines (including ATMs and machines for cash deposits).

The private banking business has offices in the Nordic and Baltic countries, Luxembourg, Germany, the United Kingdom 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 of approximately 3.9 million charge, credit, debit and co-branded cards in issue as of 31st March, 2016 in the Nordic region. SEB's card issuing business includes brands such as Eurocard and Diners Club. The merchant acquiring business area of SEB's Card business, Euroline AB, was sold in November 2014.

### **Baltic**

The Baltic division serves approximately 860,000 full-service private customers and approximately 96,000 full-service 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 wealth management provided in these countries are recorded in the Large Corporates & Financial Institutions and the Life & Investment Management divisions, 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 113 branch offices in the Baltic countries as of 31st March, 2016, 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).

The Baltic division is organised into three banking business units by geography and one pan-Baltic real estate unit:

- Estonia;
- Latvia;
- Lithuania; and
- Real estate holding companies.

### **Life & Investment Management**

The Life & Investment Management customer support division comprises two separate business areas: life and investment management. The division provides all of the Group's different customer segments with pension and insurance products and also manages SEB's mutual funds.

The life business operates mainly under SEB Life & 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 1.7 million customers as of 31st December, 2015 and is organised into three business lines:

- SEB Life & Pension, Sweden;
- SEB Pension (Denmark); and
- SEB Life & Pension International.

The life business offers products within the area of pension and life insurance for individuals and corporations, mainly in Sweden, Denmark and the Baltic countries. While the life business offers both unit-linked and traditional insurance, its sales focus is on unit-linked insurance, representing 74 per cent. of its total premium income in the three months ended 31st March, 2016.

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. See "*Management's discussion and analysis of financial condition and results of operations—Critical accounting policies—Consolidated and unconsolidated accounts*" for details.

The life business' products are distributed through the retail branch network, insurance mediators, agents and own sales personnel.

The investment management business distributes its services through the asset management sales force within the Large Corporates & Financial Institutions division, SEB Trygg Liv Holding AB (**SEB Trygg Liv**), SEB's retail network and the private banking units in SEB's core markets and in the United Kingdom, Singapore and Luxembourg, as well as through third-party distributors.

As of 31st March, 2016, SEB was the second largest wealth manager in the Nordic region by assets under management, with assets under management of SEK 1,637 billion.

## COMPETITION IN KEY MARKET SEGMENTS

In Sweden, the banking system is highly consolidated, with the four largest banking groups – Nordea Bank AB (**Nordea**), SEB, Svenska Handelsbanken AB (**Svenska Handelsbanken**) and Swedbank AB (**Swedbank**) – accounting for approximately 77 per cent. of the total assets in the banking market as of 31st December, 2015 according to Statistics Sweden. These four banks together represented approximately 69 per cent. of total Swedish customer deposits and approximately 72 per cent. of total customer lending as of 31st December, 2015, according to the same source.

Each of these banks offers comprehensive banking services to Swedish corporate clients. Despite their significant incumbent market shares, the four largest Swedish banks compete keenly 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. 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 the Danish life insurance market, Forsikringsselskabet Danica (owned by Danske Bank A/S) is the main competitor, and other competitors include Nordea Pension and PFA Pension (PFA Holding A/S).

In Germany, SEB's business faces its primary competition from listed banks and the Landesbanken in the corporate banking area.

In the Baltic countries, SEB's main competitors are Swedbank, DNB ASA and Nordea.

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 but has been recently increasing.

## SUBSIDIARIES

The Bank is the parent company of the Group. The Bank's most significant subsidiary is SEB AG which is headquartered in Frankfurt am Main, Germany. Other large subsidiaries are Fondförsäkrings AB, SEB Pension A/S, SEB Kort Bank AB, AS SEB Pank (Estonia), AS SEB banka (Latvia) and AB SEB bankas (Lithuania), which are all wholly owned, except for AB SEB bankas. SEB's subsidiaries as of 31st December, 2015 are



listed in Note 2 to the 2015 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 2015 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**

As of 1st January, 2016, SEB implemented a new customer-oriented organisation. With effect from 1st January, 2016, SEB has reorganised its business structure with a view to aligning it more closely with the Group's customer segments (see "*Presentation of Financial Information-Reorganisation*").

The Reorganisation resulted in a number of financial effects which negatively impacted the Group's financial results for the first quarter of 2016, including the following one-off items:

- (1) an impairment of goodwill in the amount of SEK 5,334 million. In the new organisation, goodwill was allocated below the divisional level. The impairment that resulted was of a technical nature since it was a function of evaluating the goodwill at a business unit and geographical level, rather than the divisional level. The expense was not tax deductible; and
- (2) other one-off financial effects from restructuring activities in the Baltic and German businesses and a write-down (derecognition) of intangible IT-assets no longer in use. In total, these items amounted to SEK 615 million and there was a positive tax effect amounting to SEK 101 million.

## 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.

### **Board of Directors**

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 Corporate Governance Code 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 thirteen directors 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.

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 of Directors**

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 strategy. The Committee reviews and makes proposals for Group policies and strategies, such as the Group Risk Policy and Risk Strategy, the Group Credit Policy and Credit Instruction, the Group Capital Policy, the Group Liquidity and Pledge Policy and the Group Trading and Investment Policy and the Instruction for the Chief Risk Officer, and monitors the implementation of these policies. It also tracks risks in the Group as they develop. 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 also prepares, for decision by the Board, a recommendation for the appointment and dismissal of the Chief Risk Officer.

As far as credit matters are concerned, 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.

As far as capital matters are concerned, 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 also reviews the Group's risk management models and risk management systems.

The Risk and Capital Committee consists of four members and forms a quorum whenever a minimum of three 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. When required, the Audit and Compliance Committee also prepares, for decision by the Board, proposals for the appointment or dismissal of the Head of Group Internal Audit. 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 is responsible for ensuring that any remarks and observations from the auditors are followed up. The Audit and Compliance Committee decides on guidelines for the services, other than auditing services, which may be procured by the Bank and the Group from the external auditors. It assesses the external auditors' work and independence and prepares proposals for new auditors prior to the annual general meeting's election of the auditors. The Audit and Compliance Committee establishes an annual audit plan for the internal audit function co-ordinated with the external audit plan.

The Audit and Compliance Committee also approves the President's proposal for the appointment and dismissal of the Head of Group Compliance and 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, for decision by the annual general meeting, a proposal for remuneration principles applicable to the President and members of the Group Executive Committee, as well as a proposal for decision by the Board as to remuneration of the President and members of the Group Executive Committee according to the principles established by the annual general meeting. The Remuneration and Human Resources Committee also prepares proposals for decision by the Board as to the remuneration of 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 of Directors 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 of Directors at each of its meetings.

The President appoints the Heads of Divisions, the Chief Financial Officer, the Head of Business Support and the Heads of various staff and Group functions. The President also appoints the Head of Group Compliance. The Chief Financial Officer of the Group is appointed in consultation with the Chairman of the Board and the Head of Group Compliance in consultation with the Audit and Compliance Committee of the Board.

The President has three different committees at her 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 Asset and 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:

<b>Name</b>	<b>Position, Other Assignments and Background</b>
Annika Falkengren	<p>President and Chief Executive Officer since 2005.</p> <p><i>Other present assignments:</i> Chairman of the Swedish Bankers' Association. Director of Securitas AB, Scania CV AB (subsidiary of Volkswagen) and FAM AB. Member of the Supervisory Board of Volkswagen AG.</p> <p><i>Background:</i> Annika Falkengren started as an SEB trainee in 1987 and worked in Trading &amp; Capital Markets from 1988 to 2000. She was appointed Global Head of Fixed-Income in 1995, Global Head of Trading in 1997 and Head of Merchant Banking in 2000. In 2001, she became Head of the Corporate &amp; Institutions division and Executive Vice President of SEB and, in 2004, Deputy Group Chief Executive.</p>
Magnus Carlsson	<p>Deputy President and Chief Executive Officer since 2014.</p> <p><i>Other present assignments:</i> None.</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 and became Head of the former Merchant Banking division and an Executive Vice President of SEB in 2005.</p>
Jan Erik Back	<p>Executive Vice President, Chief Financial Officer since 2008.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Jan Erik Back started his career at Svenska Handelsbanken AB, where he held various positions within finance between 1986 and 1998. He then moved to the insurance company, Skandia, where, after four years, he was appointed CFO. From 2007 to August 2008, Jan Erik Back was First Senior Executive Vice President and CFO of Vattenfall.</p>
Mats Torstendahl	<p>Executive Vice President, Co-Head of Corporate &amp; Private Customers since 2016.</p> <p><i>Other present assignments:</i> None.</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</p>

<b>Name</b>	<b>Position, Other Assignments and Background</b>
	SEB as Head of the former Retail Banking division in 2009.
David Teare	<p>Chief Risk Officer since 2016</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> David Teare started his career at Citibank in 1987. In 2000, he moved to Morgan Stanley, where he was head of debt capital markets Nordic/Netherlands until 2005. He joined SEB in 2006 as Head of Client Relationship Management for large corporates in Stockholm within the then Merchant Banking division. He became Head of Client Relationship Management in 2009. In 2011, he was appointed as Head of the Baltic division.</p>
Viveka Hirdman-Ryrberg	<p>Head of Group Communications since 2009.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Viveka Hirdman-Ryrberg was a consultant with Coopers &amp; Lybrand between 1987 and 1990. She was an analyst and asset manager within Wealth Management between 1990 and 1994 and was appointed as SEB's first Household Economist in 1994, a position she held until 2000. She was Head of Products at SEB Trygg Liv (Life division) between 2001 and 2004 and Group Press Officer between 2004 and 2006. She was appointed Head of the CEO Office in 2007, a position she held until 2009.</p>
Martin Johansson	<p>Head of Business Support since 2011.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Martin Johansson was with Citigroup between 1987 and 2005, first in Citibank Sweden, then in various assignments around the world, including Country Head in Portugal (1999-2002) and Country Head in Canada (2002-2005). Prior to that, he spent three years in Indonesia where he was responsible for the Corporate Banking business and Corporate Finance and four years in Brazil as a Senior Banker. In 2005, he joined SEB as Global Head of Client Relationship Management within Merchant Banking. He was Head of SEB's Baltic division (2009 – 2011).</p>
Ulf Peterson	<p>Head of Group Human Resources since 2010.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Ulf Peterson has been an SEB employee since 1987. He became a Branch Manager in Uppsala in 1992, was appointed Credit Manager, Region North in 1995 and Deputy Regional Manager, Region North in 1997. He held the same positions in Region East between 1998 and 2000, after which he was appointed Business Area Manager, Operations. He was Global Head of Private Banking between 2002 and 2006 and Global Head of Staff, Retail between 2007 and 2010.</p>
Joachim Alpen	<p>Co-Head of the Large Corporates &amp; Financial Institutions division since 2016.</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</p>

Name	Position, Other Assignments and Background
	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.
Peter Dahlgren	<p>Head of the Life &amp; Investment Management division since 2016.</p> <p><i>Background:</i> Peter Dahlgren has been an SEB employee since 2008. He has also served as Head of Investments at SEB's former Life division, Head of Institutional Clients at SEB's former Wealth division, Head of Savings at SEB's former Retail Banking division and, most recently, Head of the former Life division between 2014 and 2016. Prior to joining SEB, he worked at Alfred Berg, AP7 and Skandia Liv.</p>
Christoffer Malmer	<p>Co-Head of the Corporate &amp; Private Customers division since 2016.</p> <p><i>Background:</i> Christoffer Malmer has been an SEB employee since 2011. He has served as Head of Financial Institutions Coverage within SEB's former Merchant Banking division and, between 2014 and 2016, as Head of the former Wealth Management division. Prior to joining SEB, he was a Managing Director and head of the European Equity Research Team covering Financial Institutions at Goldman Sachs and an analyst at Arrowgrass Capital Partners.</p>
Johan Torgeby	<p>Co-Head of the Large Corporates &amp; Financial Institutions division since 2016.</p> <p><i>Background:</i> 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>

#### *Group Risk Committee*

The Group Risk Committee (**GRC**) 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 of Directors 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 of Directors—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 and Liability Committee*

The Asset and Liability Committee (**ALCO**), 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. The ALCO held 12 meetings during 2015.

#### *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 2016 Annual General Meeting*

<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. Director of AstraZeneca PLC, Investor AB, the Knut and Alice Wallenberg Foundation and Temasek Holdings (Private) Ltd.
Urban Jansson <sup>(1)</sup>	<i>Deputy Chairman of the Board.</i> Chairman of EAB AB and 365 id AB. Director of Halmstads Näringslivs AB and Lindéngruppen AB.
Jesper Ovesen <sup>(3)</sup>	<i>Deputy Chairman of the Board.</i> Director of Sunrise Communication Group AG and Lundbeck A/S.
Johan H. Andresen	Owner and Chairman of Ferd A/S, Norway. Chairman of Council on Ethics, Norwegian Pension Fund Global. Director of SWIX Sport AS, the Norwegian Microfinance Initiative (NMI) and Junior Achievement Europe.
Signhild Arnegård Hansen <sup>(8)</sup>	Chairman of SLC-Group AB and Svenska LantChips AB. Vice Chairman and Director of the Swedish-American Chamber of Commerce, USA. Director of Business Sweden, the Entrepreneurship and Small Business Research Institute, King Carl XVI Gustaf's Foundation for Young Leadership and Magnora AB.
Birgitta Kantola <sup>(4)</sup>	Director of Nobina AB.
Tomas Nicolin <sup>(3)</sup>	Chairman of the Centre for Justice. Director of Nordstjernan AB, Nobel Foundation, Axel and Margaret Ax:son Johnsons Foundation and Research Institute of Industrial Economics.
Samir Brikho	UK Business Ambassador since 2010. Co-chairman of the UK-UAE Business Council and of the UK-Korea Global CEO Forum. Member of the Stena AB Advisory Board. Co-chairman of the World Economic Forum Infrastructure and Urban Development Industries committee and of the Step Change Charity.
Winnie Fok <sup>(9)</sup>	Director of Volvo Car Corporation, G4S plc and Kemira Oyj. Member of the Investment Committee of HOPU Investments Co, Ltd. Senior Advisor to Foundation Administration Management Sweden AB.
Sven Nyman <sup>(6)</sup>	Chairman of RAM Rational Asset Management AB. Director of RAM One AB, Consilio International AB, the Nobel Foundation Investment Committee, the Stockholm School of Economics Association and the Stockholm School of Economics.
Helena Saxon <sup>(9)</sup>	Director of Swedish Orphan Biovitrum AB.
Sara Öhrvall <sup>(8)</sup>	Director of Investor AB, Bonnier News AB, Bonnier Books AB and Bisnode AB.
Annika Falkengren	<i>President and Group Chief Executive Officer.</i> Chairman of the Swedish Bankers' Association. Director of Securitas AB, Scania CV AB (subsidiary of Volkswagen) and FAM AB. Member of the Supervisory Board of Volkswagen AG.

*Directors appointed by the employees:*



<b>Names</b>	<b>Position</b>
Anna-Karin Glimström	Chairman 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.
Håkan Westerberg	Chairman of the Association of University Graduates at SEB.
<i>Deputy Directors appointed by the employees:</i>	
Annika Isenborg	Second vice Chairman of Financial Sector Union of Sweden SEB Group and Second vice Chairman of Financial Sector Union of Sweden Regional Club Group Operations of 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.

## 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 Exchange 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 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 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 UNITED STATES 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

### FINNISH TAXATION

*The following is a general description of certain tax considerations relating to the Notes. The following description relates only to payments by the Bank to beneficial owners of the Notes and may not apply to certain classes of persons such as Dealers. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Finland or elsewhere. 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 amounts under the Notes and the consequences of such actions under the tax laws of those countries. This description is based upon the law as in effect on the date of this Information Memorandum and is subject to any change in law that may take effect after such date, including changes with retroactive effect.*

For the purpose of the Finnish tax consequences described herein, it is assumed that the Bank is neither a resident nor deemed to be a resident of Finland for Finnish tax purposes and the Notes are not issued, or payments under the Notes made, through a Finnish permanent establishment of the Bank.

#### General

Finnish residents and non-residents are treated differently for tax purposes in Finland. Finnish residents are subject to taxation in Finland on their worldwide income. Non-residents who are not generally liable to tax in Finland are subject to taxation in Finland solely in respect of their Finnish source income.

Generally, an individual is deemed to be a Finnish resident if such an individual continuously resides in Finland for more than six months or if the permanent home and dwelling of such an individual is in Finland. A citizen of Finland who has moved abroad is regarded as a resident for Finnish tax purposes until three years have passed after the end of the year of emigration, even though the individual does not reside in Finland over six months or the permanent home and dwelling is not located in Finland, if such an individual cannot prove that he/she has not had any essential relationship to Finland in the tax year in question.

Legal entities established under the laws of Finland are regarded as residents of Finland in accordance with domestic tax law.

Double tax treaties may restrict the authority of the Finnish state to tax the foreign source income of an individual or entity deemed as resident of Finland pursuant to Finnish domestic tax law.

#### Resident Holders of Notes

Under present Finnish domestic tax law, holders of Notes who are resident in Finland for tax purposes, are as a general rule subject to Finnish tax on interest payments received under the Notes and on gains realised on the sale, exchange, redemption or other disposition of the Notes.

##### *Individuals and estates*

Interest and any similar income (e.g. interest compensation, FI: *jälkimarkkinahyvitys* and index compensation, FI: *indeksihyvitys*) received by individuals and estates as holders of Notes and capital gain accrued on the Notes is generally taxed as capital income unless the Notes are considered to belong to the business activity of an individual or estate. Capital income is taxed at a flat rate of 30 per cent. to the extent the annual capital income of the individual or estate does not exceed EUR 50,000. If the capital income exceeds EUR 50,000 the tax rate is 32 per cent.

Provided the Notes are considered as securities for purposes of Finnish taxation, losses realised on the sale or redemption of Notes should be deductible against capital gains. The losses are only deductible against capital gains arising in the same year and the following five years. Where the Notes are not considered as securities for purposes of Finnish taxation, losses may be non-deductible.

The classification of financial instruments as securities for purposes of Finnish taxation is subject to a degree of uncertainty. Present case law, still subject to review by the Finnish Supreme Administrative Court, suggests that the Notes, where listed on a regulated market, should, as a main rule, be considered securities for Finnish tax purposes.

Income and gains from Notes considered as belonging to the business activity of an individual or estate for Finnish tax purposes are included in the total business income of such individual or estate. The business income will be divided, according to the Finnish Income Tax Act, to be taxed as capital income (taxed at the rate of 30 or 32 per cent.) and earned income (taxed at a progressive tax rate).

#### *Corporates*

Interest and any similar income (e.g. interest compensation, FI: *jälkimarkkinahyvitys*) received by corporate holders of Notes and capital gain accrued on the Notes is generally taxed as business income or other income, taxed at the corporate income tax rate of 24.5 per cent. Where the Notes are considered business assets, losses realised should be deductible against business income.

Where the Notes are considered to belong to the other income source, losses realised should be deductible against capital gains in the other income source arising in the same year and the following five years, provided the Notes are classified as securities for purposes of Finnish taxation (see section on Individuals and estates above).

Tax exemptions may apply with respect to certain categories of corporate holders of Notes, such as tax exempt investment institutions, pension funds or other entities that are exempt from Finnish corporate income tax.

#### **Non-Resident Holders of Notes**

Holders of Notes who are not resident in Finland for tax purposes and who do not conduct business through a permanent establishment in Finland will not be subject to Finnish taxes either on payments in respect of the Notes or gains realised on the sale, exchange, redemption or other disposition of the Notes. Where the income under the Notes is attributable to a permanent establishment of a Non-resident holder of the Notes, the taxation would generally follow the taxation of resident holders of the Notes (see above).

#### **Withholding**

The Bank is not under an obligation to perform any withholding or deduction for or on account of any income tax imposed, levied, withheld, or assessed by Finland or any political subdivision or taxing authority thereof or therein in respect of any payments under the Notes. Further, such payments may be made free of any withholding when the recipient of the payment is not resident in Finland for tax purposes, or is a corporate resident in Finland for tax purposes.

An agent or intermediary (such as a financial institution) resident in Finland for tax purposes, when effecting a payment to an individual or estate resident in Finland, is generally under the obligation to withhold advance income tax at the rate of 30 per cent. from any interest and similar income (e.g. interest compensation, FI: *jälkimarkkinahyvitys*) or proceeds from the sale, redemption or other disposition not classified as capital gain paid to an individual residing in Finland, where such payment is made through the agent or intermediary, or a Finnish permanent establishment of such agent or intermediary.

Proceeds from the sale, redemption or other disposition of the Notes are generally classified as capital gain for purposes of Finnish taxation, provided the Notes are classified as securities for purposes of Finnish taxation (see section on Resident Holders of Notes – Individuals and estates above). Payments classified as capital gain for purposes of Finnish tax laws are generally not subject to withholding.

#### **Transfer Taxation**

A transfer of the Notes is not subject to Finnish transfer taxation.

#### **NORWEGIAN TAXATION**

*The following summary is based on current Norwegian law and practice, which is subject to changes that could prospectively or retrospectively modify or adversely affect the stated tax consequence. Prospective purchasers of Notes should consult their own professional advisers as to their respective tax positions.*

Payments of any interest or principal under the Notes to holders who are not Norwegian residents for tax purposes, are not subject to any tax imposed by Norway or any political subdivision thereof or therein except for payments attributable to such a person's branch, permanent establishment or operation in Norway that may be subject to tax imposed by Norway or any political subdivision thereof or therein. Holders of Notes are not deemed to be resident, domiciled or carrying on business in Norway by reason only of holding such Notes.

Norwegian tax law does not provide for the deduction of or withholding from payments of any principal or interest to the holder of any Notes. In addition, no income, capital gains, transfer or similar tax is currently imposed by Norway or any political subdivision thereof or therein on a non-resident's sale, redemption or other disposition of Notes, except for payments attributable to a non-resident's branch, permanent establishment or operation in Norway that may be subject to tax imposed by Norway or any political subdivision thereof or therein.

## **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.

## **FEDERAL REPUBLIC OF GERMANY TAXATION**

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Information Memorandum, which are subject to change, possibly with retroactive or retrospective effect.*

*As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.*

*Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.*



## Tax Residents

The section “Tax Residents” refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

### *Withholding tax on ongoing payments and capital gains*

Ongoing payments received by an individual Noteholder will be subject to German withholding tax if the Notes are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). Individuals subject to church tax may apply in writing for church tax to be levied by way of withholding also. Absent such application, such individuals have to include their investment income in their income tax return and will then be assessed to church tax. After 31st December, 2014 an electronic information system for church withholding tax purposes will apply in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by an individual Noteholder provided the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Notes are acquired and/or sold in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the payment of interest coupons or interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge, plus church tax, if applicable) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes (**Accrued Interest**, *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution from another Member State of the European Union or the European Economic Area or from certain other countries in accordance with art. 17 para. 2 of the Council Directive 2003/48/EC on the taxation of savings income (e.g. Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual Noteholder of the Notes via the Disbursing Agent (e.g. losses from the sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual Noteholder in the custodial account with the Disbursing Agent.

Individual Noteholders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) for all investment income received in a given year. Upon the individual Noteholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation as Noteholder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

### *Taxation of current income and capital gains*

The personal income tax liability of an individual Noteholder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the individual Noteholder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), an individual Noteholder may and in case the actual gain is higher than 30 per cent. of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, an individual Noteholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

Losses incurred with respect to the Notes can only be off-set against investment income of the individual Noteholder realised in the same or the following years.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as zero bonds and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account. The respective Noteholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Noteholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Noteholder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax.

### **Non-residents**

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "*Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or an interest coupon are paid by a Disbursing Agent to a non-resident upon delivery of the Notes or interest coupons, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

### **Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

### **Other Taxes**

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

### **FRENCH TAXATION**

*The following is a summary of certain French tax considerations relating to the holding of the Notes. This summary is based on the laws and practice presently in force in France and subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. Prospective investors should be aware that the statements below are of a general nature and do not constitute legal or tax*

*advice and should not be understood as such. Prospective investors should consult their professional advisers so as to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or disposal of the Notes.*

### **Withholding tax**

*The following is a summary addressing only the French compulsory withholding tax treatment of income arising from the Notes. This summary is prepared on the assumption that the Bank is not (and will not be) a French resident for French tax purposes (whether actually or constructively) and the Notes (and any transaction in relation to the Notes) are not (and will not be) attributed or attributable to a French branch or permanent establishment or fixed place of business of the Bank.*

Payments with respect to Notes issued by the Bank will be made free of any compulsory withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein.

However, if the paying agent is established in France, pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and similar income received from 1 January 2013 by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and similar income paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

### **IRISH TAXATION**

*The following is a summary of the Irish withholding tax treatment of the Notes. It is based on the laws and practice of the Revenue Commissioners of Ireland currently in force in Ireland as at the date of this Information Memorandum and may be subject to change. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of payments thereon under any laws applicable to them.*

### **Irish Withholding Tax**

Irish withholding tax applies to certain payments including payments of:

- Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);
- Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and
- Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax;

at the standard rate of income tax (currently 20 per cent.).

On the basis that the Bank is not resident in Ireland for the purposes of Irish tax, nor does the Bank operate in Ireland through a branch or agency with which the issue of the Notes is connected, nor are the Notes held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Notes, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation.

Accordingly, the Bank or any paying agent acting on behalf of the Bank should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Notes.

Separately, for as long as the Notes are quoted on a stock exchange, a purchaser of the Notes should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Notes.

## Irish Encashment Tax

Payments on any Notes paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Notes will be subject to Irish encashment tax at the standard rate of Irish tax (currently 20 per cent.), unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Notes entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.

## THE PROPOSED FINANCIAL TRANSACTIONS TAX

On 14th February, 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transactions tax (**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 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 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 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 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 1st January 2019 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 filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. 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 withholding, there is no Taiwanese withholding tax on the interest to be paid on the Notes.

Payments of 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 in calculating their basic income for the purpose of calculating their alternative minimum tax (**AMT**), unless the sum of the 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 AMT Act, the excess becomes such holder's AMT payable.

Taiwanese corporate holders must include the 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 for seven years from 1st January, 2010 to 31st December, 2016. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31st December, 2016. Starting from 1st January, 2017, 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 5 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 Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Crédit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, Natixis, Skandinaviska Enskilda Banken AB (publ), Société Générale, The Royal Bank of Scotland plc, UBS Limited 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 22nd June, 2015, as supplemented by the Supplemental Dealership Agreement dated 21st June, 2016 (the **Dealership Agreement** which expression shall include any further 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, as certified to the Fiscal Agent or the Bank by such Dealer (or in the case of a sale of an identifiable tranche of Notes to or through more than one Dealer by each of such Dealers as to Notes of such tranche purchased by or through it, in which case the Fiscal Agent or the Bank shall notify each such Dealer when all such Dealers have so certified) 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.

### Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) 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 Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-Exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Bank has consented in writing to its use for the purpose of that Non-Exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Bank for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### **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 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 registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of the Singapore Statutes (the **Securities and Futures Act**). Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Notes have not been offered or sold or made the subject of an invitation for subscription or purchase and no Notes will be offered or sold or made the subject of an invitation for subscription or purchase, nor will the Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) 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;
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries’ rights and interest (howsoever defined) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes under Section 275 of the Securities and Futures Act except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;



- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law; or
- pursuant to Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## Taiwan

- Subject to the sub-paragraph below, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to be represent and agree that the offering of the Notes has not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.
- 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 sub-paragraph 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:

- 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 Central Bank of Ireland 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 Central Bank of Ireland, 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

- 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*) and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account (other than individuals) all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 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 Directive 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 the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and trading on its Main Securities 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, 2016, 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 position of the Bank or the SEB Group, nor, since 31st December, 2015, has there been any material adverse change in the prospects of the Bank or the SEB Group.
5. The consolidated and non-consolidated financial statements of the Bank for the years ended 31st December, 2015 and 31st December, 2014 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. 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.
6. For the financial years ended 31st December, 2015 and 31st December, 2014 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.
7. 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:
  - (a) the Articles of Association of the Bank, together with an English translation thereof;
  - (b) a copy of this Information Memorandum;
  - (c) the Dealership Agreement;
  - (d) the Fiscal Agency Agreement;
  - (e) the Deed of Covenant;
  - (f) the Deed Poll;
  - (g) the audited non-consolidated financial statements (in English) of the Bank and the consolidated audited financial statements (in English) of the Group for the years ended 31st December, 2014 and 31st December, 2015, in each case together with the audit reports prepared in connection therewith, the consolidated unaudited financial statements (in English) of the Group as at and for the three month period ended 31st March, 2016, and any interim unaudited consolidated financial statements (in English) published subsequently to the date hereof; and
  - (h) any future Information Memoranda, prospectuses, offering circulars, supplements and Final Terms and any other documents or information incorporated herein or therein by reference.
8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, International Securities Identification Number, CUSIP and/or CINS 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 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, 25th Floor, New York, NY 10041-0099, United States.

9. 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.
10. 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.
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.

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