

## IMPORTANT NOTICE

**THIS INFORMATION MEMORANDUM IS NOT FOR DISTRIBUTION IN THE UNITED STATES AND MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S) AND ARE OUTSIDE OF THE UNITED STATES.**

**IMPORTANT:** You must read the following notice before continuing. The following notice applies to the attached information memorandum following this page (the **Information Memorandum**), whether received by email, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Information Memorandum. In reading, accessing or making any other use of the Information Memorandum, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Information Memorandum, including any modifications made to them from time to time, each time you receive any information from Skandinaviska Enskilda Banken AB (publ) (the **Bank**) as a result of such access.

**RESTRICTIONS:** NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE NOTES IN THE UNITED STATES OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY NOTE TO BE ISSUED HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY 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**)) EXCEPT TO A PERSON WHO IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

THE ATTACHED INFORMATION MEMORANDUM IS BEING DISTRIBUTED ONLY TO AND DIRECTED ONLY AT (I) PERSONS WHO ARE OUTSIDE THE UNITED KINGDOM, (II) PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, OR (III) THOSE PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE DISTRIBUTED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THE INFORMATION MEMORANDUM IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE INFORMATION MEMORANDUM RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THE INFORMATION MEMORANDUM MAY ONLY BE COMMUNICATED TO PERSONS IN THE UNITED KINGDOM IN CIRCUMSTANCES WHERE SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 DOES NOT APPLY TO THE BANK.

**CONFIRMATION OF YOUR REPRESENTATION:** In order to be eligible to view the Information Memorandum or make an investment decision with respect to the Notes described therein (the **Notes**), (1) each prospective investor in respect of the Notes must not be a **retail investor** (which means a person who is one (or more) of: (i) a **retail client** (as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**)) or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II), (2) each prospective investor in respect of the Notes must be a person other than a U.S. Person, (3) each prospective investor in respect of the Notes being offered in the United Kingdom must be a Relevant Person and (3) each prospective investor in respect of the Notes must otherwise be a person into whose possession the Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accepting this e-mail and accessing, reading or making any other use of the attached document, you shall be deemed to have represented to the Joint Lead Managers (as defined in the attached Information Memorandum) that (1) you have understood and agree to the terms set out herein, (2) you are (and the person you represent is) a person other than a retail investor, (3) you are (or the person you represent is) a person other than a U.S. Person, and that the electronic mail (or e-mail) address to which, pursuant to your request, the attached document has been delivered by electronic transmission is not located in the United States, its territories, its possessions and other areas subject to its jurisdiction; and its possessions include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands, (4) in respect of the Notes being offered in the United Kingdom, you are (or the person you represent is) a Relevant Person, (5) you are (and the person you represent is) otherwise a person into whose possession the Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction

in which you are (and that person is) located, (6) you consent to delivery by electronic transmission, (7) you will not transmit the attached Information Memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Joint Lead Managers and (8) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase of any of the Notes.

You are reminded that the Information Memorandum has been delivered to you on the basis that you are a person into whose possession the Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised, to deliver or disclose the contents of the Information Memorandum, electronically or otherwise, to any other person and in particular to any U.S. Person or to any U.S. address. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

If you received this document by e-mail or other electronic communication, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Bank in such jurisdiction.

Under no circumstances shall the Information Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the attached document who intend to subscribe for or purchase the Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the Information Memorandum.

**RESTRICTIONS ON MARKETING AND SALES TO RETAIL INVESTORS:** The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors (as defined below).

In particular, in June 2015, the United Kingdom Financial Conduct Authority published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the **PI Instrument**).

In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (the **PRIIPs Regulation**) became directly applicable in all European Economic Area (**EEA**) member states and (ii) MiFID II was required to be implemented in EEA member states by 3 January 2018. Together, the PI Instrument, the PRIIPs Regulation and MiFID II are referred to as the **EU Regulations**.

The EU Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible securities, such as the Notes.

Further, in Singapore, the Securities and Futures Act (Chapter 289) of Singapore (as amended, the **SFA**), the Financial Advisers Act (Chapter 110 of Singapore) (the **FAA**), the Guidelines on Fair Dealing - Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers (the **Guidelines on Fair Dealing**) and the Code of Conduct for Private Banking in Singapore (the **PB Code**) contain additional obligations and/or guidance in relation to the marketing, offer and sale of the Notes to investors in Singapore. Together, the SFA, the FAA, the Guidelines on Fair Dealing and the PB Code are referred to as the **Singapore Regulations**, and together with the EU Regulations, as the **Regulations**.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein), including the Regulations.

Each of the Bank and the Joint Lead Managers are required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in the Notes) from the Bank and/or any Joint Lead Manager, each prospective investor represents, warrants, acknowledges, consents, accepts, agrees with and undertakes to the Bank and each of the Joint Lead Managers that:

- (a) it is not a retail client;
- (b) whether or not it is subject to the Regulations, it will not: (i) sell or offer the Notes (or any beneficial interests therein) to any retail clients; or (ii) communicate (including the distribution of this Information Memorandum) or approve any invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (in each case within the meaning of MiFID II). In selling or offering the Notes or making or approving communications relating to the Notes, it may not rely on the limited exemptions set out in the PI Instrument;
- (c) if it is person in Hong Kong, it is a “professional investor” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the SFO) and any rules made under the SFO;
- (d) if it is a person in Singapore, it is an “accredited investor” or an “institutional investor”, each as defined in Section 4A of the SFA;
- (e) it will not sell or offer the Notes (or any beneficial interests therein) to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA; and
- (f) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) MiFID II and any other such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Each prospective investor further acknowledges that:

- (i) the identified target market for the Notes (for the purposes of the product governance obligations in MiFID II) is eligible counterparties and professional clients only; and
- (ii) no key information document under the PRIIPs Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each potential investor in the Notes should inform itself of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein), including the Regulations.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Bank and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

This Information Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Joint Lead Managers, the Bank nor any person who controls or is a director, officer, employee or agent of the Joint Lead Managers, the Bank nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Information Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

**The distribution of the Information Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the attached document comes are required by the Joint Lead Managers and the Bank to inform themselves about, and to observe, any such restrictions.**



## **Skandinaviska Enskilda Banken AB (publ)**

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

### **Issue of U.S.\$900,000,000 Additional Tier 1 Convertible Notes**

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

**Issue Price: 100 per cent.**

The U.S.\$900,000,000 Additional Tier 1 Convertible Notes (the **Notes**) are being issued by Skandinaviska Enskilda Banken AB (publ) (the **Bank**) as a series of securities under the Bank's Global Programme for the Continuous Issuance of Medium Term Notes and Covered Bonds (the **Programme**). The Notes will constitute unsecured, subordinated obligations of the Bank, as described in Condition 3.

The Notes will bear interest on their outstanding principal amount from (and including) 5th November, 2019 (the **Issue Date**) to (but excluding) 13th May, 2025 (the **First Reset Date** and, together with every fifth anniversary thereof, each a **Reset Date**) at a fixed rate of 5.125 per cent. per annum. In respect of each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date (each a **Reset Period**), the Notes will bear interest at a fixed rate of 3.463 per cent. per annum above the CMT Rate (as defined in the terms and conditions of the Notes (the **Conditions**)). Subject to the right of the Bank to cancel any payment of interest in respect of the Notes, interest on the Notes will be payable semi-annually in arrear on 13th May and 13th November in each year (each an **Interest Payment Date**), commencing on 13th May, 2020 (long first coupon).

The Notes are perpetual securities and have no fixed date for redemption and Holders do not have the right to call for their redemption. Subject as provided herein and to the prior approval of the Swedish Financial Supervisory Authority (the **SFSA**) (where such prior approval is required pursuant to Applicable Banking Regulations (as defined in the Conditions)), the Notes may be redeemed at the option of the Bank in whole (but not in part) (i) on the First Reset Date or at any time thereafter, at their outstanding principal amount and (ii) upon the occurrence of a Capital Event or a Tax Event (if not substituted or varied instead of redemption pursuant to Condition 5B.08), in each case at their outstanding principal amount and in the manner described herein.

The Bank may elect, in its sole and absolute discretion, to cancel any payment of interest in respect of the Notes in whole or in part at any time and for any reason, and payments of interest in respect of the Notes will also not be made in certain other circumstances. Interest payments in respect of the Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes then the right of the Holders to receive the relevant interest payment (or part thereof) will be extinguished and the Bank will have no obligation to pay such interest payment (or part thereof), whether or not future interest payments on the Notes are paid. The cancellation or other non-payment of interest will not constitute an event of default or entitle any action to be taken by Holders. For further information, see Condition 4B.

**In the event that the CET1 ratio of the Bank or the Group is less than 5.125 per cent., in the case of the Bank, or 8.00 per cent., in the case of the Group, in each case as determined by the Bank or the SFSA (or any agent appointed by the SFSA for the purposes of making such determination) (a Trigger Event), the Notes will be converted automatically (and without any requirement for the consent or approval of Holders) into Conversion Shares at the Conversion Price (each as defined in the Conditions). Prior to any delivery of Conversion Shares to a Holder there will first be a Settlement Shares Offer, which will delay the delivery of Conversion Shares to a Holder and may result in a Holder receiving, wholly or partly in place of such Conversion Shares, payment of the cash proceeds of such Settlement Shares Offer to which that Holder is entitled, after deduction of the Settlement Shares Offer Expenses. See Condition 5A.**

This Information Memorandum does not comprise a prospectus for the purposes of Article 6 of Regulation (EU) 2017/1129. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the Notes to be admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin. This Information Memorandum constitutes listing particulars for the purpose of such application and has been approved by Euronext Dublin.

The Bank has been rated A+ by S&P Global Ratings Europe Limited (**S&P**), Aa2 by Moody's Investors Service (Nordics) AB (**Moody's**) and AA- by Fitch Ratings Limited (**Fitch**). The Notes are expected to be rated Ba1 by Moody's and BBB by Fitch. 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.

Each of Fitch, Moody's and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, each of Fitch, Moody's and S&P 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.

**For a description of certain matters that prospective investors should consider, see “Risk Factors” herein.**

The Notes will initially be represented by a temporary global Note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about the Issue Date with a common depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global Note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances.

**The Notes are not intended to be sold and should not be sold to retail investors (as defined below). Prospective investors are referred to the section headed “Restrictions on marketing and sales to retail investors” for further information.**

*Joint Lead Managers*

**BNP PARIBAS**

**Goldman Sachs  
International**

**J.P. Morgan**

**Morgan Stanley**

**SEB**  
*(no underwriting  
commitment)*

**UBS Investment  
Bank**

**Information Memorandum dated 30th October, 2019**

The Bank accepts responsibility for the information contained in this document. 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.

This Information Memorandum should be read and construed in conjunction with all of the documents incorporated in this Information Memorandum by reference (see “*Documents Incorporated by Reference*” below).

The Bank has confirmed to BNP Paribas, Goldman Sachs International, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, Skandinaviska Enskilda Banken AB (publ) and UBS Europe SE, each in its capacity as a joint lead manager (together, the **Joint Lead Managers**), that this Information Memorandum 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 Joint Lead Managers that this Information Memorandum 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 Notes.

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 Subscription Agreement dated 29th October, 2019 relating to the Notes between the Bank and the Joint Lead Managers (the **Subscription Agreement**) and in any other document prepared in connection with the Notes 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 or the Joint Lead Managers.

No representation or warranty is made or implied by the Joint Lead Managers or any of their respective affiliates, and neither the Joint Lead Managers 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 nor the offering, sale or delivery of any of the Notes 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.

The distribution of this Information Memorandum and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. The Joint Lead Managers 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 comes are required by the Bank and the Joint Lead Managers 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 and any document incorporated by reference herein, see “*Subscription and Sale*” below. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the **Securities Act**) and 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 U.S. persons (as defined in Regulation S under the Securities Act). **This Information Memorandum may not 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.**

This Information Memorandum does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Bank or the Joint Lead Managers that any recipient of this Information Memorandum should subscribe for or purchase any securities. Each recipient of this Information

Memorandum shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Bank.

***Prohibition of sales to EEA retail investors***

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a **retail client** (as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**)); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **IDD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

***Restrictions on marketing and sales to retail investors***

The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

In particular, in June 2015, the United Kingdom Financial Conduct Authority (the **FCA**) published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 which took effect from 1st October, 2015 (the **PI Instrument**).

In addition, (i) on 1 January 2018, the PRIIPs Regulation became directly applicable in all EEA member states and (ii) MiFID II was required to be implemented in EEA member states by 3 January 2018. Together the PI Instrument, the PRIIPs Regulation and MiFID II are referred to as the **EU Regulations**.

The EU Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible securities, such as the Notes.

Further, in Singapore, the Securities and Futures Act (Chapter 289) of Singapore (as amended, the **SFA**), the Financial Advisers Act (Chapter 110 of Singapore) (the **FAA**), the Guidelines on Fair Dealing - Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers (the **Guidelines on Fair Dealing**) and the Code of Conduct for Private Banking in Singapore (the **PB Code**) contain additional obligations and/or guidance in relation to the marketing, offer and sale of the Notes to investors in Singapore. Together, the SFA, the FAA, the Guidelines on Fair Dealing and the PB Code are referred to as the **Singapore Regulations**, and together with the EU Regulations, as the **Regulations**.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein), including the Regulations.

Each of the Bank and the Joint Lead Managers are required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in the Notes) from the

Bank and/or any Joint Lead Manager, each prospective investor represents, warrants, acknowledges, consents, accepts, agrees with and undertakes to the Bank and each of the Joint Lead Managers that:

- (a) it is not a retail client;
- (b) whether or not it is subject to the Regulations, it will not: (i) sell or offer the Notes (or any beneficial interests therein) to any retail clients; or (ii) communicate (including the distribution of this Information Memorandum) or approve any invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (in each case within the meaning of MiFID II). In selling or offering the Notes or making or approving communications relating to the Notes, it may not rely on the limited exemptions set out in the PI Instrument;
- (c) if it is person in Hong Kong, it is a “professional investor” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO;
- (d) if it is a person in Singapore, it is an “accredited investor” or an “institutional investor”, each as defined in Section 4A of the SFA;
- (e) it will not sell or offer the Notes (or any beneficial interests therein) to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA; and
- (f) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) MiFID II and any other such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Each prospective investor further acknowledges that:

- (i) the identified target market for the Notes (for the purposes of the product governance obligations in MiFID II) is eligible counterparties and professional clients only; and
- (ii) no key information document under the PRIIPs Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each potential investor in the Notes should inform itself of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein), including the Regulations.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Bank and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Each potential investor in the Notes must further 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 legal 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.

An investment in the Notes is not an equivalent to an investment in a bank deposit. Although an investment in the Notes may give rise to higher yields than a bank deposit placed with the Bank, an investment in the Notes carries risks which are very different from the risk profile of such a deposit. Unlike a bank deposit the Notes are transferrable. However, the Notes may have no established trading market when issued, and one may never develop.

The Notes are unsecured, subordinated obligations of the Bank and perpetual securities with no fixed date for redemption and no right of Holders to call for their redemption. Investments in the Notes do not benefit from any protection provided pursuant to Directive 2014/49/EU of the European Parliament and of the Council on deposit guarantee schemes or any national implementing measures implementing this Directive in any jurisdiction. Therefore, there is a real risk that investors investing in the Notes will lose all or some of their investment if the Bank becomes insolvent.

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

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

## **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:

- **Group** or to **SEB** are to the Bank and its subsidiaries, taken as a whole;
- **SEK** or **Kronor** are to the currency of the Kingdom of Sweden;
- **€** 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; and
- **U.S.\$, USD, U.S. dollars** or **United States Dollars** are to the currency of the United States of America.

## STABILISATION

In connection with the issue of the Notes, J.P. Morgan Securities plc as stabilisation manager (the **Stabilisation Manager**) (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the relevant Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

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## RISK FACTORS

*The Bank believes that the factors described in the section of the Programme Information Memorandum entitled “Risk Factors” (the **Programme Risk Factors**) may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described in the Programme Risk Factors and below.*

*The Bank believes that the factors described in the Programme Risk Factors and below represent the principal risks inherent in investing in the Notes, but the inability of the Bank to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Bank based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere or incorporated by reference in this Information Memorandum and reach their own views prior to making any investment decision.*

*The Programme Risk Factors are incorporated by reference in this Information Memorandum and for these purposes references in the Programme Risk Factors to “Notes”, “Subordinated Notes” and “Tier 2 Subordinated Notes” shall, as applicable, be construed as references to the Notes described in this Information Memorandum.*

***The factors described below are supplemental to, and should be read in conjunction with, the Programme Risk Factors.***

For the purposes of the discussion of the implementation of the Basel IV framework into EU legislation in the fourth paragraph of the risk factor entitled “*Risk Factors related to the Regulatory Environment - SEB is and will continue to be subject to increased capital requirements and standards due to governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may need additional capital in the future, which capital may be difficult and/or costly to obtain – Increased capital requirements*” on page 43 of the Programme Information Memorandum, the European Banking Authority published its advice to the European Commission on the implementation of this framework on 4th August, 2019. Its main recommendations include the application of this framework in full from 2022 on a phased-in basis as presently proposed, the use of the risk weight floor to compute the full stack of capital requirements, including Pillar 2 requirements and systemic buffers, and taking due account of the new output floor requirements, and for the output floor to be applied at all levels of consolidation, all of which may result in an increase in SEB’s capital requirements.

### **Risks Relating to the Notes**

***There is a real risk that Holders will lose some or all of their investment should the Bank become insolvent and holders may only claim payment in the bankruptcy or liquidation of the Bank***

Unless previously converted into Conversion Shares pursuant to Condition 5A, the Bank’s obligations under the Notes will be unsecured and subordinated. 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 rank:

- (i) junior to any present or future claims of (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank and (c) except as expressed in (iii) below, claims of any other subordinated creditors of the Bank;
- (ii) *pari passu* without any preference among themselves;
- (iii) at least *pari passu* with claims of holders of any other outstanding Additional Tier 1 Instruments and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, *pari passu* with the Notes; and
- (iv) in priority to payments to holders of all classes of share capital of the Bank in their capacity as such holders.

Although the Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that Holders will lose all or some of their investment should the Bank become insolvent.

There are no events of default in relation to the Notes and Holders may only claim payment in respect of the Notes in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank. See “—*There are no events of default*” below.

***The Notes may be subject to loss absorption on any application of the resolution tools or at the point of non-viability of the Bank or the Group***

On 2nd July, 2014, Directive 2014/59/EU of the European Parliament and of the Council of 15th May, 2014 (**BRRD I**) providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms entered into force. BRRD I became effective in Sweden on 1st February, 2016 (the Swedish Law on Resolution (*Lagen (2015:2016) om resolution*)).

On 7th June, 2019, Directive 2019/879/EU of the European Parliament and of the Council of 20th May, 2019 was published amending, among other things, BRRD I as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (BRRD I as so amended, and as further amended or replaced, the **BRRD**). Regulation (EU) No. 2019/876 of the European Parliament and of the Council of 20th May, 2019 (**CRR II**) was also published on that same date amending 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 so amended and implemented and/or applicable in Sweden, and as further amended or replaced, the **CRR**).

In addition to the application of the resolution tools, including the general bail-in tool, to the Notes (see “*The Council of the EU has adopted the BRRD which provides for a range of actions to be taken in relation to a relevant entity considered to be at risk of failing. The taking of any action against SEB under the BRRD could materially adversely affect the value of any Notes*” in the Programme Risk Factors), the BRRD contemplates that the 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 the Notes (which write-down may be in full) or the conversion of them into shares (or other instruments of ownership) in SEB at the point of non-viability of the Bank or the Group and before any other resolution action is taken. Any such write-down or conversion is separate to the Automatic Trigger Conversion contemplated by the Conditions and may be effected by resolution authorities without regard to the Floor Price. Such write-down or conversion is likely, therefore, to have a different outcome to any Automatic Trigger Conversion, with any shares issued to holders of the Notes upon any such conversion into equity likely to be significantly fewer than the shares that may otherwise be received on any Automatic Trigger Conversion. Any such shares may also be subject to future cancellation, transfer or dilution.

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

For the purposes of the application of any non-viability loss absorption measure (i) the point of non-viability of a relevant entity under the BRRD is the point at which the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or its group meets the conditions for resolution or will no longer be viable unless the relevant capital instruments (such as the Notes) are written down or converted into equity or extraordinary public financial support is required by the relevant entity other than, where the entity is an institution, for the purposes of remedying a serious disturbance in the economy of an EEA member state and to preserve financial stability; and (ii) the point of non-viability of a group is the point at which the group infringes or there are objective elements to support a determination that the group, in the near future, will infringe its consolidated prudential requirements in a way that would justify action by the appropriate authority, including but not limited to because the group has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds.

BRRD and the CRR address, among other things, the implementation of total loss absorbing capacity (TLAC) into EU legislation and the integration of the TLAC requirement with the EU rules regarding minimum requirements for own funds and eligible liabilities (MREL) to avoid duplication. Eligible liabilities for these purposes means the liabilities and capital instruments that do not qualify as CET1, Additional Tier 1 or Tier 2 instruments of the relevant entity and that are not excluded from the scope of the bail-in tool. While the TLAC requirement will apply only to G-SIBs (and hence not to SEB), the CRR includes, as part of MREL, a minimum Pillar 1 subordination requirement for G-SIBs and “top-tier” banks (including SEB). This Pillar 1 subordination requirement shall be satisfied with own funds and other eligible MREL instruments meeting the applicable CRR requirements, including such MREL instruments constituting senior non-preferred debt. The level of this subordination requirement for SEB is still to be determined. The implementation deadline for MREL under the BRRD and the CRR is 1st January, 2024, as compared to the MREL requirements deadline of the Swedish Resolution Authority of 1st January, 2022.

The application of the resolution tools or any non-viability loss absorption measure may result in Holders 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 Holder, the price or value of the Notes and/or the ability of the Bank to satisfy its obligations under the Notes.

***The Notes are subject to the provisions of the laws of Sweden and their official interpretation, which may change and have a material adverse effect on the terms and market value of the Notes.***

The Conditions are drafted on the basis of Swedish law in effect as at the date of this Information Memorandum. Changes in the laws of Sweden or their official interpretation by regulatory authorities such as the SFSA or the European Central Bank after the date hereof may affect the rights and effective remedies of Holders as well as the market value of the Notes.

Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes. They could also include the introduction of a variety of statutory resolution, loss-absorption and bail-in measures and tools, which may affect the rights of holders of obligations issued by the Bank, including the Notes.

Any such changes could impact the calculation of the CET1 ratios or the CET1 Capital of the Bank or the Group, or the Risk Exposure Amount of the Bank or the Group. Furthermore, because the occurrence of the Trigger Event depends, in part, on the calculation of these ratios and capital measures, any change in Swedish law that could affect the calculation of such ratios and measures could also affect the determination of whether the Trigger Event has actually occurred.

Such calculations may also be affected by changes in applicable accounting rules, the Group’s accounting policies and the application by the Group of these policies. Any such changes, including changes over which the Bank or the Group has a discretion, may have a material adverse impact on the reported financial position of the Bank or the Group and accordingly may give rise to the occurrence of the Trigger Event in circumstances where such Trigger Event may not otherwise have occurred, notwithstanding the adverse impact this will have for Holders.

Furthermore, any change in the laws or regulations of Sweden or any change in the application or official interpretation thereof may in certain circumstances result in the Bank having the option to redeem the Notes in whole but not in part (see “—*The Notes may be redeemed at the option of the Bank*” below). In any such case, the Notes would cease to be outstanding, which could materially and adversely affect investors and frustrate investment strategies and goals.

Such legislative and regulatory uncertainty could affect an investor’s ability to value the Notes accurately and therefore affect the market price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes.

***Upon the occurrence of a Trigger Event, the Holders will lose all of their claims for payment under the Notes and receive Conversion Shares instead (which are more deeply subordinated than the Notes) and/or the cash***

***proceeds of the Settlement Shares Offer to which that Holder is entitled, after deduction of the Settlement Shares Offer Expenses***

Upon the occurrence of a Trigger Event, the Holders will lose all of their claims for payment under the Notes and receive Conversion Shares instead (which are more deeply subordinated than the Notes) and/or net cash proceeds of the Settlement Shares Offer to which the Holders are entitled, after deduction of the Settlement Shares Offer Expenses. The number and/or value of the Conversion Shares received by Holders following an Automatic Trigger Conversion may be less than Holders may have expected. In addition, Holders may not receive Conversion Shares if they fail to submit a Delivery Notice in the manner or within the prescribed period set out in the Conditions.

The Notes are being issued for regulatory capital adequacy purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Bank and the Group. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Conditions. One of these relates to the ability of the Notes to be available to absorb any losses of the Bank or the Group. Accordingly, upon the occurrence of a Trigger Event, (i) the Notes will be converted into Conversion Shares, (ii) the principal amount of the Notes will be permanently reduced to zero and, accordingly, shall equal zero at all times thereafter, (iii) the Holders will no longer have any rights or claim against the Bank with respect to the payment of any principal, interest or other amount on or in respect of the Notes (except as provided in Condition 3.01(b)) and (iv) the Bank's only remaining obligation under the Notes shall be an obligation to deliver Conversion Shares to the Settlement Shares Depository on behalf of the Holders.

Once a Note has been converted into Conversion Shares, the principal amount of such Note will not be restored in any circumstances (including where the relevant Trigger Event ceases to continue), no further interest will accrue or be payable on such Note at any time thereafter and the Holders shall have no recourse to the Bank for any further payment in respect of the Notes (but without prejudice to the right of the Holders to receive the relevant number of Conversion Shares from the Settlement Shares Depository).

If a Trigger Event (and consequent Automatic Trigger Conversion) occurs, Holders will only have the claims under their Conversion Shares, and such claims in a winding-up (*likvidation*) or bankruptcy (*konkurs*) of the Bank are the most junior-ranking of all claims. Claims in respect of Conversion Shares are not for a fixed principal amount, but rather are limited to a share of the surplus assets (if any) remaining following payment of all amounts due in respect of the liabilities of the Bank.

Further, the Conditions provide that a Holder, Settlement Shares Offer Agent or Selling Agent must pay (in the case of the Settlement Shares Offer Agent or the Selling Agent by means of deduction from the net proceeds of sale referred to in Conditions 5A.07 and 5A.08) any taxes and capital, stamp, issue and registration and transfer taxes or duties arising on Automatic Trigger Conversion and such Holder, Settlement Shares Offer Agent or the Selling Agent (as the case may be) must pay (in the case of the Settlement Shares Offer Agent or the Selling Agent, by way of deduction from the net proceeds of sale as aforesaid) all, if any, taxes arising by reference to any disposal or deemed disposal of a Note or interest therein.

If a Holder fails to deliver a duly completed Delivery Notice to a Paying and Conversion Agent in the manner and within the prescribed timeframe specified in the Conditions then, subject to the making of a Settlement Shares Offer, the Bank may in its sole and absolute discretion (and the relevant Holders of such Notes shall be deemed to agree thereto) elect to appoint prior to the Automatic Trigger Conversion a Selling Agent to procure that all Conversion Shares held by the Settlement Shares Depository in respect of which no duly completed Delivery Notice has been delivered shall be sold by the Selling Agent as soon as reasonably practicable. The net proceeds of any such sale of Conversion Shares shall then, subject to the deduction of certain amounts including in respect of taxes, fees or costs as described in Condition 5A.07, be distributed rateably by the Settlement Shares Depository to the relevant Holders. There is therefore a risk that Holders will not receive Conversion Shares upon the occurrence of a Trigger Event.

Because a Trigger Event will occur when the CET1 Ratio of the Bank or the Group, as applicable, will have deteriorated significantly, any Trigger Event will likely be accompanied by a prior deterioration in the market price of the Class A Shares, which may be expected to continue after announcement of the relevant Trigger Event.

Therefore, in the event of the occurrence of a Trigger Event, the Current Market Price of an Class A Share may be below the Floor Price, and investors could receive Conversion Shares at a time when the market price of the Conversion Shares is considerably less than the Conversion Price. In such circumstances, Holders may receive a smaller number of Conversion Shares than expected by the Holders. In addition, there may be a delay in a Holder receiving its Conversion Shares following an Automatic Trigger Conversion, during which time the market price of the Class A Shares may fall further. As a result, the value of the Conversion Shares received following an Automatic Trigger Conversion could be substantially lower than the price paid for the Notes at the time of their purchase.

Also, because the Notes are denominated in a currency other than SEK and any Conversion Shares will be denominated in SEK, fluctuations in the exchange rates between these two currencies may adversely affect the number of Conversion Shares delivered to a Holder as a result of an Automatic Trigger Conversion.

***Payments of interest on the Notes are discretionary and subject to the fulfilment of certain conditions***

The Notes accrue interest as further described in Condition 4A, but the Bank may elect, in its sole and absolute discretion, to cancel any payment of interest that is otherwise scheduled to be paid on an Interest Payment Date in whole or in part at any time and for any reason. Payments of interest in respect of the Notes in any financial year of the Bank shall be made only out of Distributable Items of the Bank. As at 30th September, 2019 the Distributable Items of the Bank (in accordance with the CRR) were SEK 77 billion. Such Distributable Items were calculated on both a consolidated and non-consolidated basis, with the Distributable Items of the Bank being the lower of such two figures.

To the extent that (i) the Bank has insufficient Distributable Items to make any payment of interest in respect of the Notes scheduled for payment in the then current financial year and any other interest payments or distributions paid and/or required and/or scheduled to be paid out of Distributable Items in such financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Bank, and/or (ii) the SFSA, in accordance with Applicable Banking Regulations then in force, requires the Bank to cancel the relevant Distribution in whole or in part, then the Bank will, without prejudice to the right above to cancel the payment of all such payments of interest in respect of the Notes, make partial or, as the case may be, no such payment of interest in respect of the Notes.

No payment of interest will be made in respect of the Notes if and to the extent that such payment would cause the Maximum Distributable Amount (if any) then applicable to the Bank and/or the Group to be exceeded. As at 30th September, 2019, the Bank had a buffer of 4.9 per cent. between its CET1 ratio of 16.4 per cent. and its then applicable “combined buffer requirement” of 11.5 per cent. for the purposes of any Maximum Distributable Amount calculation in respect of the Bank. See “*CRD V imposes capital requirements that are in addition to the minimum capital requirements. These additional capital requirements will restrict the Bank from making payments of interest on the Notes in certain circumstances, in which case the Bank may cancel such interest payments*” below.

There can be no assurances that a Holder will receive payments of interest in respect of the Notes. Unpaid interest is not cumulative or payable at any time thereafter and, accordingly, if any interest payment (or part thereof) is not made in respect of the Notes as a result of any requirement for, or election of, the Bank to cancel such interest payment then the right of the Holders to receive the relevant interest payment (or part thereof) in respect of the relevant Interest Period will be extinguished and the Bank will have no obligation to pay such interest (or part thereof) or to pay any interest thereon, whether or not interest on the Notes is paid in respect of any future Interest Period.

No such election to cancel the payment of any interest (or part thereof) or non-payment of any interest (or part thereof) in respect of the Notes will constitute an event of default or the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the liquidation, dissolution or winding up of the Bank.

If, as a result of any of the conditions set out above being applicable, only part of any interest on the Notes may be paid, the Bank may proceed, in its sole discretion, to make such partial interest payments under the Notes.



Notwithstanding the applicability of any one or more of the conditions set out above resulting in interest on the Notes not being paid or being paid only in part, the Bank will not be in any way limited or restricted from making any distribution or equivalent payment in connection with any instrument ranking junior to the Notes (including, without limitation, any CET1 Capital of the Bank or the Group) or in respect of any other Additional Tier 1 Instruments.

Furthermore, upon the occurrence of the Trigger Event, any accrued and unpaid interest on the Notes will be cancelled.

***CRD V and the BRRD impose capital requirements that are in addition to the minimum capital requirements. These additional capital requirements will restrict the Bank from making some payments in certain circumstances, which may include payments of interest on the Notes and result in the cancellation of such payments***

Under 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 amended by Directive 2019/878/EU of the European Parliament and of the Council of 20th May, 2019 (the **CRD V Directive**), and as further amended or replaced, the **CRD Directive**) and the CRR (together with the CRD Directive and any Future Capital Instruments Regulations, **CRD V**), institutions are required to hold a minimum amount of regulatory capital of 8 per cent. of the total risk exposure amount. In addition to these so-called “own funds” requirements under CRD V, supervisory authorities may impose additional capital requirements to cover other risks (thereby increasing the regulatory minimum required under CRD V), which could include further capital requirements such as the additional CET1 Capital requirements imposed by the SFSA under the Swedish Pillar 2 framework. The Bank may also decide to hold additional capital. See “*Factors that may affect the Bank’s ability to meet its obligations under the Notes - SEB is and will continue to be subject to increased capital requirements and standards due to governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may need additional capital in the future, which capital may be difficult to obtain - Increased capital requirements*” in the Programme Risk Factors.

CRD V further imposes five capital buffer requirements that are in addition to the minimum capital requirement and are required to be satisfied with common equity tier 1 capital. These five capital buffers consist of: (i) the capital conservation buffer, (ii) the institution-specific countercyclical buffer, (iii) the global systemically important institutions buffer, (iv) the other systemically important institutions buffer and (v) the systemic risk buffer. Some or all of these buffers may be applicable to the Bank and/or the Group as determined by the SFSA.

The CRD V Directive, the BRRD and CRR II provide for extensive changes to the EU regulatory framework, including the Fundamental Review of the Trading Book (**FRTB**), the Net Stable Funding Ratio, the leverage ratio and leverage ratio buffer, MREL and the Pillar 2 framework. Member States are required to adopt the measures necessary to comply with the CRD V Directive by 28th December, 2020 and these measures are to apply from 29th December, 2020, although certain provisions are only to apply from 1st January, 2022. CRR II will apply from 28th June, 2021 with certain exceptions.

See further “*-SEB is and will continue to be subject to increased capital requirements and standards due to governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may need additional capital in the future, which capital may be difficult to obtain*” in the Programme Risk Factors.

Under Article 141 of the CRD Directive, Member States of the European Union must require that institutions that fail to meet the “combined buffer requirement” (which, as implemented in Sweden, involves for the Bank the combination of the capital conservation buffer, the institution-specific counter-cyclical buffer and the systemic risk buffer) will be subject to restricted “discretionary payments” (which are defined broadly by CRD V as payments relating to CET1 Capital, variable remuneration and payments on Additional Tier 1 Instruments such as the Notes). The “combined buffer requirement” and the associated restrictions under Article 141 above were implemented in Sweden on 2nd August, 2014.

Where any such restrictions are to apply they will be scaled according to the extent of the breach of the “combined buffer requirement” and calculated as a percentage of the profits of the institution since the last distribution of

profits or “discretionary payment”. Such calculation will result in a “Maximum Distributable Amount” in each relevant period. As an example, the scaling is such that in the bottom quartile of the “combined buffer requirement”, no “discretionary distributions” will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement (including where additional capital requirements are imposed by the SFSA that have the result of increasing the regulatory minimum required under CRD V and the BRRD) it may be necessary to reduce discretionary payments, including the potential exercise by the Bank of its discretion to cancel (in whole or in part) interest payments in respect of the Notes. In addition, any actual or perceived breach of the “combined buffer requirement” can be expected to have an adverse effect on the market price of the Notes.

***Any failure by the Bank and/or the Group to comply with its MREL requirement could result, among other things, in the imposition of restrictions or prohibitions on discretionary payments by the Bank, including interest payments on the Notes***

For a discussion as to how MREL requirements may affect SEB, see “*SEB is and will continue to be subject to increased capital requirements and standards due to governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may need additional capital in the future, which capital may be difficult to obtain - Resolution of systemically important financial institutions*” in the Programme Risk Factors.

Under the BRRD the applicable combined buffer requirements will be positioned above the relevant MREL requirement. An institution that does not comply with its MREL requirement, therefore, will need to use CET1 that previously counted towards meeting the combined buffer requirement to make up the shortfall. Accordingly, any failure by SEB to meet its MREL requirement could negatively impact its combined buffer requirement and result in, among other things, the imposition of restrictions or prohibitions on discretionary payments by the Bank, including interest payments on the Notes. See “*CRD V imposes capital requirements that are in addition to the minimum capital requirements. These additional capital requirements will restrict the Bank from making payments of interest on the Notes in certain circumstances, in which case the Bank may cancel such interest payments*” above.

***The circumstances that may give rise to the Trigger Event or the imposition of restrictions or prohibitions on discretionary payments by the Bank, including interest payments on the Notes, are unpredictable***

The occurrence of the Trigger Event or imposition of restrictions or prohibitions on discretionary payments by the Bank, including interest payments on the Notes, as a result of any Maximum Distributable Amount applying to the Bank is inherently unpredictable and depends on a number of factors, many of which are outside of the Bank’s control (and such occurrence may also be determined by the SFSA (or any agent appointed by the SFSA for the purpose of making such determination)). For example, the occurrence of one or more of the risks described in these Risk Factors, or the deterioration of the circumstances described therein, will substantially increase the likelihood of the occurrence of the Trigger Event or the imposition of such restrictions or prohibitions. Furthermore, the occurrence of the Trigger Event or the imposition of such restrictions or prohibitions as a result of the application of any Maximum Distributable Amount depends, in part, on the calculation of the CET1 ratio, which can be affected, among other things, by the growth of the business and future earnings of the Bank and/or the Group, as applicable; expected payments by the Bank and/or the Group, as applicable, in respect of dividends and distributions and other equivalent payments in respect of instruments ranking junior to the Notes as well as other Additional Tier 1 Instruments; regulatory changes (including possible changes in accounting rules, regulatory capital definitions, calculations and risk weighted assets, and the proposed use of the of the risk weight floor to compute the full stack of capital requirements) and the Bank’s ability to actively manage the risk weighted assets of the Bank and the Group. The usual reporting cycle of the Bank is for the CET1 ratios of the Bank and the Group to be reported on a quarterly basis in conjunction with its interim financial reporting, which may mean investors are given limited warning of any significant deterioration in those CET1 ratios. In addition, since the SFSA may require the Bank to calculate the CET1 ratios at any time and may itself determine (or appoint an agent for the purpose of making such determination) the occurrence of a Trigger Event or any Maximum Distributable Amount, the Trigger Event or the imposition of such restrictions or prohibitions could occur at any time.

Due to the inherent uncertainty in advance of any determination of a Trigger Event or any Maximum Distributable Amount regarding whether any such Trigger Event may exist or the amount of such Maximum Distributable Amount, it will be difficult to predict when, if at all, an Automatic Trigger Conversion or the imposition of such restrictions or prohibitions may occur. Accordingly, trading behaviour in respect of the Notes is not necessarily expected to follow trading behaviour associated with other types of interest-bearing securities. Any actual or perceived indication that the Bank and/or the Group, as applicable, is trending towards the Trigger Event or of the imposition of such restrictions or prohibitions can be expected to have an adverse effect on the market price of the Notes. Under such circumstances, investors may not be able to sell their Notes easily or at prices comparable to other similar yielding instruments.

***Holders will bear the risk of fluctuations in the price of the Class A Shares and/or movements in the CET1 Ratio that could give rise to the occurrence of the Trigger Event or the imposition of restrictions or prohibitions on discretionary payments by the Bank, including interest payments on the Notes***

The market price of the Notes is expected to be affected by fluctuations in the market price of the Class A Shares, in particular if at any time there is a significant deterioration in the CET1 Ratio of the Bank or the Group or any actual or perceived indication of the imposition of restrictions or prohibitions on discretionary payments by the Bank, including interest payments on the Notes. It is impossible to predict whether the price of the Class A Shares will rise or fall. Market prices of the Class A Shares will be influenced by, among other things, the financial position of the Bank and the Group, the results of operations and political, economic, financial and other factors. Any decline in the market price of the Class A Shares or any actual or perceived indication that the CET1 Ratio of the Bank or the Group is trending towards the occurrence of a Trigger Event or of the imposition of such restrictions or prohibitions may have an adverse effect on the market price of the Notes. The level of the CET1 Ratio of the Bank or the Group or any Maximum Distributable Amount may also significantly affect the market price of the Notes and/or the Class A Shares.

The Bank will have no obligation to consider the interests of the Noteholders in connection with the strategic decisions of the Group, including in respect of capital management. Noteholders will not have any claim against the Bank or any other member of the Group relating to decisions that affect the business and operations of the Group, including its capital position, regardless of whether they result in the occurrence of a Trigger Event or the imposition of such restrictions or prohibitions. Such decisions could cause Noteholders to lose all or part of the value of their investment in the Notes.

***The value of the Notes may decline because the holders do not have anti-dilution protection in all circumstances. In particular, the occurrence of corporate actions or events in respect of which no adjustment to the Floor Price is made may adversely affect the value of the Notes***

The number of Conversion Shares which are to be issued and delivered in respect of each Note on an Automatic Trigger Conversion shall be determined by dividing the aggregate principal amount of such Note outstanding immediately prior to the Conversion Date by the Conversion Price rounded down, if necessary, to the nearest whole number of Conversion Shares.

The Conversion Price will be, if the Class A Shares are:

- (a) then admitted to trading on a Relevant Stock Exchange, the higher of:
  - (i) the Current Market Price of a Class A Share, translated into U.S. dollars at the Prevailing Exchange Rate;
  - (ii) the Floor Price; and
  - (iii) the quota value (*kvotvärde*) of a Class A Share (being SEK 10 on the Issue Date), translated into U.S. dollars at the Prevailing Exchange Rate,in each case on the Conversion Date; or
- (b) not then admitted to trading on a Relevant Stock Exchange, the higher of (ii) and (iii) above;

The Floor Price will be adjusted upon the occurrence of certain corporate actions, as specified in Condition 5A.11. However, save as specified in Condition 5A.11, there is no requirement that there should be an adjustment of the Floor Price for any other corporate actions or events that may affect the market price of the Conversion Shares.

Accordingly, the occurrence of corporate actions or events in respect of which no adjustment to the Floor Price is made may adversely affect the value of the Notes.

***Holders may lose a right to dividends, distributions, voting or other rights emanating from the Conversion Shares in the event of liquidation (likvidation) or bankruptcy (konkurs) proceedings of the Bank prior to the registration of such Conversion Shares with the Share Registrar or the SCRO***

In the event that liquidation (*likvidation*) or bankruptcy (*konkurs*) proceedings have been initiated against the Bank after the Conversion Date but before the Conversion Shares have been registered with the Share Registrar or the SCRO, the Conversion Shares may not be registered at all or may only be registered if the liquidator or the administrator in the bankruptcy (*konkurs*) (if and when appointed) so agrees. The Conversion Shares will carry a right to dividends, distributions, voting and other rights having a record date that occurs on or after the Registration Date. If the Conversion Shares are not registered with the Share Registrar or the SCRO, the Holders will not have the benefit of any dividends, distributions, voting or other rights in relation to the share capital of the Bank emanating from the Conversion Shares which are contingent upon such registration.

***Perpetual securities***

The Notes are perpetual securities and have no fixed date for redemption. The Bank is under no obligation to redeem the Notes at any time and the Holders have no right to call for their redemption. The only circumstances in which Holders may claim payment in respect of the Notes is in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank (see “—*There are no events of default*” below).

***The Notes may be redeemed at the option of the Bank***

All, and not some only, of the Notes may be redeemed at the option of the Bank, subject to the prior approval of the SFSA and Applicable Banking Regulations then in force, on or at any time after the First Reset Date, at their outstanding principal amount and as further provided in the Conditions. Under the CRR, the SFSA will give its consent to a redemption of the Notes in such circumstances provided that either of the following conditions is met:

- (a) on or before such redemption of the Notes, the Bank replaces the Notes with instruments qualifying as Tier 1 Capital of an equal or higher quality on terms that are sustainable for the income capacity of the Bank; or
- (b) the Bank has demonstrated to the satisfaction of the SFSA that its Tier 1 Capital, Tier 2 capital and eligible liabilities would, following such redemption, exceed the capital requirements under CRD V and the BRRD by a margin that the SFSA may consider necessary on the basis set out in CRD V and the BRRD.

The Notes are also redeemable on or after the Issue Date at the option of the Bank in whole but not in part, at any time, at their outstanding principal amount, subject to the prior approval of the SFSA and Applicable Banking Regulations then in force, if there is a Capital Event or a Tax Event (if not substituted or varied instead of redemption pursuant to Condition 5B.08).

The CRR further provides that the SFSA may, among other exceptions, approve any such redemption of the Notes upon the occurrence of a Capital Event or a Tax Event before the First Reset Date if, in addition to meeting the conditions referred to in one of either paragraphs (a) or (b) above, the following conditions are also met:

- (i) in the case of any such redemption upon the occurrence of a Capital Event, the SFSA considers the relevant change to be sufficiently certain and the Bank demonstrates to the satisfaction of the SFSA that such change was not reasonably foreseeable at the Issue Date; or
- (ii) in the case of any such redemption upon the occurrence of a Tax Event, the Bank demonstrates to the satisfaction of the SFSA that such Tax Event is material and was not reasonably foreseeable at the issue Date.

The above conditions to any redemption of the Notes upon the occurrence of a Capital Event or a Tax Event only apply to any such redemption of the Notes before the First Reset Date and the Bank may exercise its option to redeem the Notes in such circumstances on or at any time after the First Reset Date (including as a result of a Capital Event or a Tax Event that occurred before the First Reset Date) without complying with these conditions. However, it will still need to comply with the conditions referred to in one of either paragraphs (a) or (b) above.

It is not possible to predict whether or not any change in the laws or regulations of Sweden or the application or official interpretation thereof, or any of the other events referred to above, will occur and so lead to the circumstances in which the Bank is able to elect to redeem the Notes, and if so whether or not the Bank will elect to exercise such option to redeem the Notes. Any decision by the Bank to exercise any option to redeem the Notes will involve consideration at the relevant time of, among other things, the economic impact of such redemption, the capital requirements of the Bank and/or the Group, prevailing market conditions and regulatory developments. It will also require the approval of the SFSA.

There can also be no assurances that, in the event of any such early redemption, Holders will be able to reinvest the proceeds at a rate that is equal to the return on the Notes. In the case of any early redemption of the Notes at the option of the Bank on or at any time after the First Reset Date, the Bank may be expected to exercise this option when its funding costs are lower than the rate at which interest is then payable in respect of the Notes. In these circumstances, the rate at which Holders are able to reinvest the proceeds of such redemption is unlikely to be as high as, and may be significantly lower than, that rate of interest.

In addition, the redemption feature of the Notes is likely to limit their market value. During any period when the Bank has the right to elect to redeem the Notes (or where there is an actual or perceived increase in the likelihood that the Bank has such right), the market value of the Notes is unlikely to rise substantially above the price at which they can be redeemed. This may also be true prior to such period.

***Holders of the Notes only have a limited ability to realise their investment in the Notes***

The Bank has the option to redeem the Notes in certain circumstances but the ability of the Bank to redeem or purchase the Notes is subject to the Bank satisfying certain conditions. See “—*The Notes may be redeemed at the option of the Bank*” above and Condition 5B. There can be no assurance that Holders will be able to reinvest the amount received upon any such redemption and at a rate that will provide the same rate of return as their investment in the Notes.

Therefore, Holders have no ability to realise their investment, except:

- (i) if the Bank exercises its rights to redeem or purchase the Notes in accordance with Condition 5B; or
- (ii) through the sale of their Notes, which sale will be subject to the existence of a secondary market for the Notes at the relevant time (see “—*Risks related to the market generally – 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*” in the Programme Risk Factors).

***Holders will have to submit a Delivery Notice in order to receive delivery of the Conversion Shares and they (or their nominee, custodian or other representative) will have to have an account with Euroclear Sweden in order to receive the Conversion Shares. Delivery of Conversion Shares to a Holder and/or payment of the cash proceeds of the Settlement Shares Offer (after deduction of the Settlement Shares Offer Expenses) will be further delayed by the Settlement Shares Offer.***

In order to obtain delivery of the Conversion Shares, a Holder must deliver a Delivery Notice (and the relevant Notes) to the Settlement Shares Depository in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or (if the Notes are in definitive form) to the Paying and Conversion Agent. The Delivery Notice must contain certain information, including the Holder’s Euroclear Sweden account details. Accordingly, Holders (or their nominee, custodian or other representative) will have to have an account with Euroclear Sweden in order to receive the Conversion Shares. In the case of any Holder which fails to deliver a duly completed Delivery Notice, together with the relevant Notes held by it, the relevant Conversion Shares shall, subject to the Settlement Shares Offer, continue to be held by the Settlement Shares Depository on behalf of such

Holder until such Holder delivers a duly completed Delivery Notice, together with its relevant Notes, to a Paying and Conversion Agent as provided in the Conditions or the sale of such Conversion Shares by a Selling Agent also as provided in the Conditions. The Bank shall have no liability to any Holder for any loss resulting from such Holder not receiving any Conversion Shares (or cash proceeds) or from any delay in the receipt thereof, in each case as a result of such Holder failing to submit a valid Delivery Notice on a timely basis or at all.

Prior to any delivery of Conversion Shares to a Holder there will first be a Settlement Shares Offer, which may not be completed for a period of up to 40 Business Days from the Business Day immediately following the Conversion Date, resulting in further delays in the delivery of Conversion Shares to a Holder or payment of the cash proceeds of such Settlement Shares Offer to which that Holder is entitled, after deduction of the Settlement Shares Offer Expenses. The Settlement Shares Offer may also result in a Holder receiving, wholly or partly in place of such Conversion Shares payment of such cash proceeds.

***Receipt by the Settlement Shares Depositary of the Conversion Shares shall irrevocably discharge and satisfy the Bank's obligations in respect of the Notes***

The Bank will deliver the Interim Conversion Shares to the Settlement Shares Depositary on the Interim Conversion Settlement Date and, following registration with the SCRO, deliver the Conversion Shares to the Settlement Shares Depositary or the relevant holder, as the case may be, as soon as practicable following the Offer Settlement Date or, if later, the Registration Date. Receipt of the Conversion Shares by the Settlement Shares Depositary and registration of the Conversion Shares with the SCRO shall discharge the Bank's obligations in respect of the Notes. With effect on and from the delivery of any such Conversion Shares to the Settlement Shares Depositary and their registration with the SCRO, a Holder shall have recourse only to the Settlement Shares Depositary for the delivery of the relevant Conversion Shares to be delivered in respect of its Note(s) or, in the circumstances described in the Conditions, any cash amounts to which that Holder is entitled under the Conditions, as the case may be.

In addition, the Bank has not yet appointed a Settlement Shares Depositary and the Bank may not be able to appoint a Settlement Shares Depositary if an Automatic Trigger Conversion occurs. In such a scenario, the Bank would inform Holders of any alternative arrangements in connection with the issuance and/or delivery of the Conversion Shares, and such arrangements may be disadvantageous to, and more restrictive on, the Holders. For example, such arrangements may involve Holders having to wait longer to receive their Conversion Shares than would be the case under the arrangements expected to be entered into with a Settlement Shares Depositary. An issue of the Conversion Shares by the Bank to the relevant recipient in accordance with these alternative arrangements shall constitute a complete and irrevocable release of all of the Bank's obligations in respect of the Notes.

***Holders may be obliged to make a takeover bid upon the occurrence of the Trigger Event if they take delivery of Conversion Shares***

Upon the occurrence of the Trigger Event, a Holder receiving Conversion Shares may have to make a takeover bid addressed to all the shareholders of the Bank pursuant to the Swedish Stock Market (Takeover Bids) Act (2006:451) (as amended or replaced from time to time) implementing Directive 2004/25/EC of the European Parliament and of the Council if its aggregate holding of voting rights in the Bank (or its voting rights aggregated with those of its related parties) represents at least 30 per cent. of all the voting rights in the Bank.

***Holders who receive Conversion Shares upon the occurrence of a Trigger Event may be subject to disclosure obligations and/or may need approval by the Bank's regulators and other authorities***

As the Notes are convertible into Conversion Shares in certain circumstances, an investment in the Notes may result in a Holder, upon conversion of its Notes into Conversion Shares, having to comply with certain disclosure and/or approval requirements pursuant to the Swedish Banking and Financing Business Act (2004:297) and the Swedish Financial Instruments Trading Act (1991:980) (each as amended or replaced from time to time) and other laws and regulations. Non-compliance with such disclosure and/or approval requirements may lead to the incurrance by the Holder of substantial fines and/or suspension of voting rights associated with the Conversion

Shares and/or a refusal on the part of the SFSA to provide the relevant approval in respect of the acquisition of the Class A Shares by the Holder.

***Holders who receive Conversion Shares may be subject to compulsory acquisition proceedings in relation to their Conversion Shares***

Pursuant to the Swedish Companies Act (2005:551), a shareholder that directly or indirectly holds more than 90 per cent. of the shares of the Bank is entitled to acquire the other shareholders' shares and each minority shareholder is entitled to require such majority shareholder to acquire its shares. A majority shareholder that exercises such right to acquire the outstanding shares in the Bank is also entitled to acquire any convertibles (including the Notes) or warrants issued by the Bank. Each holder of such convertibles or warrants (including the Holders) is entitled to require the majority shareholder to acquire its convertibles (including the Notes) or warrants notwithstanding that the majority shareholder does not exercise its right to acquire the outstanding shares. If an agreement on the purchase price cannot be reached between the parties, the purchase price shall be determined through arbitration and generally be the price which could be expected in a sale under normal circumstances. A shareholder or a holder of a convertible or a warrant who does not participate in the arbitration will be represented by a trustee appointed by the SCRO.

***The Notes will be repaid if the Bank fails to register the resolution to issue the Notes with the SCRO within the prescribed timeframe***

The issue of the Notes must comply with certain procedural requirements laid down in the Swedish Companies Act. Under such Act, the Bank must register with the SCRO its resolution to issue the Notes within six months of such resolution being made. If the Bank fails to comply with this registration requirement or if the resolution for any other reason is not registered, the resolution to issue the Notes will cease to be valid and the Bank will be obliged under the Swedish Companies Act to repay any sums paid for subscribed Notes, together with interest according to the Swedish Interest Act (Sw: *räntelagen*). In addition, potential investors should note that it is unclear how such repayment would be practically operated.

An investor generally may not be able to reinvest the repaid sums at an effective interest rate as high as the interest rate on the Notes being repaid and may only be able to do so at a significantly lower interest rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Notes are not aggregated for the purposes of determining the number of Conversion Shares to be issued in respect of a Holder's holding in the Notes***

If one or more Delivery Notices and relevant Notes are delivered by a Holder to the Settlement Shares Depository (as provided in Condition 5A.07) such that any Conversion Shares to be issued and delivered to such Holder following an Automatic Trigger Conversion are to be registered in the same name, the number of Conversion Shares to be issued and delivered in respect thereof shall be calculated on the basis of individual Notes and not on the basis of the aggregate principal amount of such Notes to be converted.

The number of Conversion Shares to be issued in respect of each Note shall be determined in accordance with the calculation in Condition 5A.05 and such calculation shall be rounded down, if necessary, to the nearest whole number of Conversion Shares. Fractions of Conversion Shares will not be issued following an Automatic Trigger Conversion and no cash payment will be made in lieu thereof. There is therefore a risk that a Holder submitting more than one Delivery Notice may receive fewer Conversion Shares than it would otherwise have received had its holding in the Notes been aggregated (where the aggregate principal amount of a Holder's Notes would have qualified such Holder for additional Conversion Shares when calculated in accordance with Condition 5A.05).

***Substitution and variation of the Notes without Holder consent***

Subject to Condition 5B.08, if a Tax Event or a Capital Event occurs, the Bank may, instead of redeeming the Notes, and without the consent or approval of the Holders, at any time either substitute the Notes or vary their terms accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities. Qualifying Additional Tier 1 Securities are, among other things, notes that have terms not materially less favourable to a Holder (unless any such less favourable terms are solely attributable to ensuring the

effectiveness and enforceability of Condition 4B or Condition 16.03 (including the governing law of Condition 16.03)), as reasonably determined by the Bank, than the terms of the Notes. See Condition 5B.08.

***There are no events of default***

In accordance with CRD V, Holders have no ability to require the Bank to redeem their Notes. The terms of the Notes do not, therefore, provide for any events of default. The Bank is entitled to cancel the payment of any interest payments in whole or in part at any time and as further contemplated in Condition 4B (see “—*Payments of interest on the Notes are discretionary and subject to the fulfilment of certain conditions*” above) and such cancellation will not constitute any event of default or similar event or entitle Holders to take any related action against the Bank.

Notwithstanding the Notes are perpetual securities and have no fixed date for redemption, Holders may prove or claim payment under the laws of Sweden and as further provided in Condition 6 in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank in respect of the then outstanding principal amount of the Notes together with any accrued and unpaid interest on the Notes that has not been cancelled. However, these are the only circumstances in which any such claim for payment may be made by Holders.

If the Bank exercised its right to redeem or purchase the Notes in accordance with Condition 5B but failed to make payment of the relevant outstanding principal amount to redeem the Notes when due, such failure would not constitute an event of default but may entitle Holders to bring a claim for breach of contract against the Bank, which, if successful, could result in damages. Following any such failure to pay amounts in respect of the Notes when due, Holders may also institute proceedings with a view to having the Bank declared bankrupt (*konkurs*) and to prove or claim in the bankruptcy (*konkurs*) of the Bank but may only otherwise claim payment in respect of the Notes in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank.

***The terms of the Notes contain a waiver of set-off rights***

No holder of any Note may at any time exercise or claim any Set-Off Rights against any right, claim or liability of the Bank or that the Bank may have or acquire against such holder, directly or indirectly and howsoever arising (and including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any kind or any non-contractual obligation, whether or not relating to that Note).

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

***There is no restriction on the amount or type of further securities or indebtedness which the Bank may incur***

There is no restriction on the amount or type of further securities or indebtedness which the Bank may issue or incur which ranks senior to, or pari passu with, the Notes. The incurrence of any such further indebtedness may reduce the amount recoverable by Holders on a liquidation, dissolution or winding-up of the Bank in respect of the Notes and may limit the ability of the Bank to meet its obligations in respect of the Notes, and result in a Holder losing all or some of its investment in the Notes. In addition, the Notes do not contain any restriction on the Bank issuing securities ranking pari passu with the Notes and having similar or preferential terms to the Notes.



## OVERVIEW OF THE OFFERING

*The following is an overview of certain information relating to the offering of the Notes, including the principal provisions of the terms and conditions thereof. This overview is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Information Memorandum. See, in particular, "Terms and Conditions of the Notes".*

Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this Summary.

Issuer:	Skandinaviska Enskilda Banken AB (publ)
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. These are set out under "Risk Factors" above and in the Programme Risk Factors. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes. These are set out under "Risk Factors" and in the Programme Risk Factors and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of the Notes and certain market risks.
Issue size:	U.S.\$900,000,000
Status:	The Notes constitute unsecured, subordinated obligations of the Bank in respect of which, upon the occurrence of a Trigger Event, the rights and claims of each Holder under the Notes will automatically convert into Class A Shares, as provided in Chapter 15 of the Swedish Companies Act and Condition 5A. See Condition 3.
Interest and Interest Payment Dates:	<p>The Notes will bear interest, payable semi-annually in arrear on 13th May and 13th November in each year, commencing on 13th May, 2020 (long first coupon), at the relevant Rate of Interest.</p> <p>The Rate of Interest will reset on the First Reset Date and on each Reset Date thereafter. See Condition 4A.</p>
Interest Cancellation:	The Bank may elect, in its sole and absolute discretion, to cancel any payment of interest that is otherwise scheduled to be paid on an Interest Payment Date in whole or in part at any time and for any reason. The Issuer will also be obliged to cancel interest in certain circumstances. See Condition 4B.
Issuer Call:	The Bank may, upon the expiry of the appropriate notice, redeem all (but not some only), of the Notes then outstanding on the First Reset Date or at any time thereafter and at their outstanding principal amount together, if appropriate, with interest accrued to (but excluding) the relevant redemption date. See Condition 5B.02.
Redemption upon Tax Event or Capital Event:	Upon the occurrence of a Tax Event or a Capital Event (if the Bank does not, instead of redeeming the Notes, substitute the Notes or vary their terms pursuant to Condition 5B.08), the Bank may, at its option, having given not less than 30 days' nor

more than 60 days' notice to the Holders of the Notes in accordance with Condition 13 (which notice, subject to Condition 5B.07 below, shall be irrevocable), at any time redeem all (but not some only) of the Notes at their outstanding principal amount together, if appropriate, with interest accrued to (but excluding) the date of redemption. See Condition 5B.03.

Loss absorption:

If a Trigger Event occurs at any time on or after the Issue Date, then the Notes will be converted automatically (and without any requirement for the consent or approval of Holders) into Conversion Shares at the Conversion Price on the date of such Trigger Event as provided in Condition 5A.

Conversion Price:

If the Class A Shares are:

- (a) then admitted to trading on a Relevant Stock Exchange, the higher of:
  - (i) the Current Market Price of a Class A Share, translated into U.S. dollars at the Prevailing Exchange Rate;
  - (ii) the Floor Price; and
  - (iii) the quota value (*kvotvärde*) of a Class A Share (being SEK 10 on the Issue Date), translated into U.S. dollars at the Prevailing Exchange Rate,in each case on the Conversion Date; or
- (b) not then admitted to trading on a Relevant Stock Exchange, the higher of (ii) and (iii) above.

The Floor Price is U.S.\$8.40, subject to adjustment in accordance with Condition 5A.11.

Delivery of Conversion Shares to Settlement Shares Depository:

Subject to the last paragraph of Condition 5A.07, the obligation of the Bank to issue and deliver Conversion Shares to a Holder shall be satisfied by the delivery of the Interim Conversion Shares in respect of the Note(s) of such Holder to the Settlement Shares Depository on the Interim Conversion Settlement Date and, following registration with the SCRO, the final delivery of such Conversion Shares to the Settlement Shares Depository or the relevant holder, as the case may be, as soon as practicable following the Registration Date.

See Condition 5A.07.

Prior to any delivery of Conversion Shares to a Holder there will first be a Settlement Shares Offer, which will delay the delivery of Conversion Shares to a Holder and may result in a Holder receiving, wholly or partly in place of such Conversion Shares, payment of the cash proceeds of such Settlement Shares Offer to which that Holder is entitled, after deduction of the Settlement Shares Offer Expenses. See Condition 5A.

No Events of Default and Holders may Claim in

If the Bank is declared bankrupt (*konkurs*) or put into

Bankruptcy or Liquidation only:

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 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, for payment in respect of the outstanding principal amount of such Note together with interest accrued to (but excluding) the date of commencement of the relevant bankruptcy (*konkurs*) or liquidation (*likvidation*) proceedings to the extent not cancelled 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 and subject further as provided in Condition 3.01(b).

Meetings of Holders and Modifications:

The Fiscal Agency Agreement contains provisions for convening meetings of the Holders of the Notes to consider matters affecting their interests, including the modification or waiver of the Conditions. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. See Condition 12.

Taxation:

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, the Bank shall ((i) subject to the exceptions set out in Condition 7 and (ii) to the extent such payment can be made out of Distributable Items on the same basis as for payment of any amount in respect of interest in accordance with Condition 4) pay in respect of payments of interest (but not principal or any other amount) such additional amounts as may be necessary in order that the net amounts receivable by the Holders in respect of such interest after such withholding or deduction shall equal the respective amounts in respect of such interest which would have been receivable in the absence of such withholding or deduction.

See Condition 7.

Form of the Notes:

The Notes will initially be represented by the Temporary Global Note, without interest coupons, which will be deposited on or about the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable for interests in the Permanent Global Note, without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interests in the Permanent

Global Note will be exchangeable for definitive Notes only in certain limited circumstances. See “*Summary of Provisions relating to the Notes while in Global Form*” below.

Substitution or Variation:

If at any time a Capital Event or a Tax Event occurs, or to ensure the effectiveness or enforceability of the exercise of any Bail-in and Loss Absorption Power in accordance with Condition 16.03, the Issuer may either substitute all (but not some only) of the Notes for, or vary the terms of the Notes accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities. See Condition 5B.08.

Denominations:

The Notes will be issued in the denominations of U.S.\$200,000.

Listing and Admission to Trading:

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin.

Irish Listing Agent:

McCann FitzGerald Listing Services Limited.

Governing Law:

The Notes and any non-contractual obligations arising out of or in respect of the Notes will be governed by, and shall be construed in accordance with, English law, except with respect to Condition 3, the conversion (if any) of the Notes into Conversion Shares and any Compulsory Acquisition Proceedings, which are 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 Condition 3 are governed by, and shall be construed in accordance with, the laws of the Kingdom of Sweden. See Condition 16.

Notes in Global Form:

In the case of Global Notes, individual investors’ rights against the Issuer will be governed by a Deed of Covenant executed by the Bank on 18th June, 2014, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

Selling Restrictions:

There are certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials in the United States of America, the EEA, the United Kingdom, Canada, Hong Kong and Singapore, see “*Subscription and Sale*” below.

Ratings:

The Notes are expected to be rated Ba1 by Moody’s and BBB by Fitch. 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.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (a) the sections of the information memorandum of the Bank dated 14th June, 2019 relating to the Bank's Global Programme for the Continuous Issuance of Medium Term Notes and Covered Bonds (the **Programme Information Memorandum**) (available at [https://sebgroupp.com/siteassets/investor\\_relations1/debt\\_programs/global\\_programmes/global\\_mtn\\_programme\\_2019\\_june.pdf](https://sebgroupp.com/siteassets/investor_relations1/debt_programs/global_programmes/global_mtn_programme_2019_june.pdf)) entitled as set out in the table below:

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and for these purposes references in the Programme Information Memorandum to "Notes", "Subordinated Notes" and "Tier 2 Subordinated Notes" shall, as applicable, be construed as references to the Notes described in this Information Memorandum;

- (b) the audited consolidated and non-consolidated financial statements (including the auditors' report thereon and the notes thereto) of the Bank in respect of the financial year ended 31st December, 2018, as set out in the Bank's annual report (the **2018 Annual Report**) on pages 74 to 188, inclusive (available at [http://sebgroupp.com/siteassets/investor\\_relations1/annual\\_reports/annual\\_report\\_2018.pdf](http://sebgroupp.com/siteassets/investor_relations1/annual_reports/annual_report_2018.pdf));
- (c) 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, 2017, as set out in the Bank's annual report (the **2017 Annual Report**) on pages 72 to 172, inclusive (available at [http://sebgroupp.com/siteassets/investor\\_relations1/annual\\_reports/annual\\_report\\_2017.pdf](http://sebgroupp.com/siteassets/investor_relations1/annual_reports/annual_report_2017.pdf));
- (d) the unaudited consolidated and non-consolidated interim financial statements of the Bank (including the auditors' limited review report thereon) as of and for the nine months ended 30th September, 2019 (set out on pages 11 to 15 (inclusive), on pages 17 – 41 (inclusive) and on pages 43 – 44 (inclusive) of the Bank's interim report entitled "Interim Report January – September 2019") (the **Interim Report**) (available at [https://sebgroupp.com/siteassets/investor\\_relations1/interim\\_reports/2019\\_q3\\_interim.pdf](https://sebgroupp.com/siteassets/investor_relations1/interim_reports/2019_q3_interim.pdf));
- (e) the section entitled "Market Risk" set out on page 29 of the Bank's publication entitled "Fact Book January – September 2019" (the **Q3 Fact Book**) (available at [https://sebgroupp.com/siteassets/investor\\_relations1/factbook/2019\\_q3\\_factbook.pdf](https://sebgroupp.com/siteassets/investor_relations1/factbook/2019_q3_factbook.pdf)); and
- (f) the section entitled "Share and shareholders" set out on page 7 of the Q3 Fact Book.

Any statement contained in any document incorporated by reference herein shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum (or in any other document incorporated by reference) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). 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 may be obtained (without 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.

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 the investor or are otherwise covered elsewhere in this Information Memorandum.

## KEY FIGURES

The table below shows certain key figures for SEB on a consolidated basis.

	As at/nine months ended 30th September	As at/year ended 31st December	
	2019	2018	2017
<b>(Unaudited)</b>			
Return on equity <sup>1)</sup> %.....	13.1	16.34	11.70
Return on equity, excluding items affecting comparability <sup>2)</sup> %.....	13.2	13.36	12.86
Return on risk exposure amounts <sup>3)</sup> .....	2.5	3.66	2.64
Basic earnings per share <sup>4)</sup> (SEK).....	6.64	10.69	7.47
Cost/income ratio <sup>5)</sup> .....	0.47	0.48	0.48
Credit loss level <sup>6)</sup> %.....	-	-	0.05
Net ECL level <sup>7)</sup> %.....	0.08	0.06	-
Stage 3 (credit-impaired) loans/total loans, gross %.....	0.65	0.50	-
Gross level of impaired loans <sup>8)</sup> %.....	-	-	0.39
Net level of impaired loans <sup>9)</sup> %.....	-	-	0.25
Total capital ratio <sup>10), 11)</sup> % (at period end).....	20.9	22.2	24.2
CET1 capital ratio <sup>12)</sup> % (at period end).....	16.4	17.6	19.4
Tier 1 capital ratio <sup>13)</sup> % (at period end).....	18.5	19.7	21.6
Weighted average number of shares outstanding (millions) <sup>14)</sup> .....	2,161	2,164	2,168
Liquidity Coverage Ratio <sup>15)</sup> % (at period end).....	174	147	145
Leverage ratio <sup>16)</sup> % (at period end).....	4.5	5.1	5.2

- 1) Net profit attributable to shareholders in relation to average shareholders' equity (calculated using month-end data).
- 2) Net profit attributable to shareholders, excluding items affecting comparability and their related tax effect, in relation to average shareholders' equity (calculated using month-end data). Items affecting comparability include (i) the completion of the sale of SEB Pensionsforsikring A/S and SEB Administration A/S on 30 May 2018, which resulted in a capital gain that was to a large extent tax exempt of SEK 3,565 million (ii) finalisation of the acquisition by Asiastieto Group Plc (**Asiastieto**) of UC AB, which resulted in SEB receiving shares in Asiastieto and SEK 300 million cash, as well as a tax-exempt capital gain of SEK 941 million, (iii) a dividend received after the settlement of the acquisition of Visa Europe by Visa Inc. which reduced other comprehensive income by SEK 494 million in 2017, (iv) in relation to the core business in Germany being transferred from SEB AG to the German branch of SEB on 2nd January, 2018, a recognition of provisions related to redundancy and excess premises amounting to a total of SEK 521 million and an agreement to transfer pension obligations under the defined benefit plan in SEB AG at a cost of SEK 891 million in 2017 and (v) an impairment (derecognition) of intangible IT assets which led to an expense in an amount of SEK 978 million in 2017.
- 3) Net profit attributable to shareholders in relation to average risk exposure amounts (**REA**) (calculated using month-end data).
- 4) Net profit attributable to shareholders in relation to the weighted average number of shares outstanding (calculated on a daily basis) before dilution.
- 5) Total operating expenses in relation to total operating income.
- 6) Net credit losses in relation to the sum of the opening balances of loans to the public, loans to credit institutions and loan guarantees less specific, collective and off balance sheet reserves.
- 7) Net credit impairments as a percentage of the opening balance of debt securities and loans to the public and credit institutions measured at amortised cost, financial guarantees and loan commitments, less the expected credit loss (**ECL**) allowances (the allowance for expected credit losses on financial assets, contract assets, loan commitments and financial guarantee contracts).
- 8) Individually assessed impaired loans, gross, in relation to the sum of loans to the public and loans to credit institutions before reduction of reserves.
- 9) Individually assessed impaired loans, less specific reserves, in relation to the sum of net loans to the public and loans to credit institutions less specific reserves and collective reserves.
- 10) 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**.
- 11) According to SEB's interpretation of the CRD IV/CRR regulatory requirements and as reported to the SFSA.
- 12) The common equity Tier 1 capital as a percentage of **REA**.
- 13) The Tier 1 capital as a percentage of **REA**.

- 14) The number of issued shares, less shares owned by the Group, weighted on a daily basis.
- 15) High-quality liquid assets in relation to the estimated net cash outflows over the next 30 days. Calculated according to SFSA regulations for the respective period.
- 16) Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to the standardised approach.

SEB's net expected credit losses were SEK 1,297 million, with a net expected credit loss level of 0.08 per cent., for the nine months ended 30th September, 2019 compared to SEK 753 million, with a net expected credit loss level of 0.05 per cent., for the corresponding period in 2018. SEB's net expected credit losses were SEK 1,166 million, with a net expected credit loss level of 0.06 per cent., for 2018. As at 1st January, 2018, IFRS 9 Financial Instruments came into force with a move from an incurred loss model to an expected credit loss model. SEB's net credit losses for 2017, according to the incurred loss model that was applicable until 31st December, 2017, were SEK 808 million, or a credit loss level of 0.05 per cent., compared to SEK 993 million, or a credit loss level of 0.07 per cent., for 2016.



## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes:*

The U.S.\$900,000,000 Additional Tier 1 Convertible Notes (the **Notes**, which expression shall in these Terms and Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14) are issued by Skandinaviska Enskilda Banken AB (publ) (the **Bank**) in accordance with an amended and restated fiscal agency agreement dated 14th June, 2019, as supplemented by a supplemental fiscal agency agreement dated 5th November, 2019 (the **Fiscal Agency Agreement**, which expression shall include any further amendments or supplements thereto), each made between the Bank, Citibank, N.A., London Branch in its capacities as fiscal agent and principal paying and conversion agent (the **Fiscal Agent**, which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such) and certain other financial institutions named therein in their capacities as paying and conversion agents (the **Paying and Conversion Agents**, which expression shall include the Fiscal Agent and any substitute or additional paying and conversion agents appointed in accordance with the Fiscal Agency Agreement).

Words and expressions defined in the Fiscal Agency Agreement 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 these Terms and Conditions, the Terms and Conditions will prevail.

Any reference to **Noteholders** or **Holder**s in relation to the Notes shall mean the bearers of the Notes. 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).

A copy of the Fiscal Agency Agreement is available for inspection during normal business hours at the specified office of each of the Paying and Conversion Agents. The Noteholders 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 statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement.

### 1. Form and Denomination

**1.01** The Notes are Additional Tier 1 Convertible Notes issued in bearer form, serially numbered and in denominations of U.S.\$200,000 (the **Specified Denomination**).

**1.02** The Notes will have attached thereto at the time of their initial delivery (i) interest coupons (**Coupons**), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below, and (ii) 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.

### 2. Title

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

**2.02** The Holder of any Note 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.

### 3. Status

**3.01** The Notes constitute unsecured, subordinated obligations of the Bank in respect of which, upon the occurrence of a Trigger Event, the rights and claims of each Holder under the Notes will automatically convert into Class A Shares, as provided in Chapter 15 of the Swedish Companies Act and Condition 5A. In the event of the (a) voluntary or involuntary liquidation (*likvidation*) or (b) the bankruptcy (*konkurs*) of the Bank:

(a) prior to the occurrence of a Trigger Event, the rights of the Holders of the Notes to payments on or in respect of the Notes shall rank:

- (i) junior to any present or future claims of (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank and (c) except as expressed in (iii) below, claims of any other subordinated creditors of the Bank;
  - (ii) *pari passu* without any preference among themselves;
  - (iii) at least *pari passu* with claims of holders of any other outstanding Additional Tier 1 Instruments and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, *pari passu* with the Notes; and
  - (iv) in priority to payments to holders of all classes of share capital of the Bank in their capacity as such holders; and
- (b) on and after the occurrence of a Trigger Event and prior to the Registration Date, the rights and claims of each Holder of the Notes shall be limited to such amount, if any, as would have been payable to that Holder in such liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank if the Registration Date had occurred immediately before such liquidation (*likvidation*) or bankruptcy (*konkurs*).

The Bank reserves the right to issue or incur other Additional Tier 1 Instruments in the future, provided, however, that any such Additional Tier 1 Instruments may not in the event of voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank rank prior to the Notes.

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

Nothing in this Condition 3.02 is intended to provide, or shall be construed as acknowledging, any Set-Off Rights or that any such Set-Off Right is or would be available to any Holder of any Note but for this Condition 3.02.

#### **4. Interest**

##### **4A. Interest — Fixed Reset**

**4A.01** The Notes shall bear interest on their outstanding principal amount, in respect of the period from (and including):

- (i) 5th November, 2019 (the **Interest Commencement Date**) to (but excluding) 13th May, 2025 (the **First Reset Date**) at the rate of 5.125 per cent. per annum (the **Initial Rate of Interest**); and
- (ii) each Reset Date to (but excluding) the next succeeding Reset Date (each a **Reset Period**), at the rate per annum equal to the sum of the Reset Margin and the CMT Rate for such Reset Period (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards), as determined by the Fiscal Agent on the relevant Reset Determination Date,

(each a **Rate of Interest**). Such interest will be payable in arrear on 13th May and 13th November in each year, commencing on 13th May, 2020 (each an **Interest Payment Date**) up to and including the date of redemption, conversion or purchase and cancellation of the Notes. There will be a long first Interest Period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date of 13th May, 2020.

The Fiscal Agent will at or as soon as practicable after the relevant time on each Reset Determination Date, determine the Rate of Interest for the relevant Reset Period.

**4A.02** Interest will be calculated on the outstanding principal amount of each Note. The Fiscal Agent will calculate the amount of interest (the **Interest Amount**) payable on the Notes for each Interest Period or other relevant period (from (and including) the first day of such period to (but excluding) the date on which the relevant

Interest Amount is payable) within a Reset Period by applying the relevant Rate of Interest to each U.S.\$1,000 in principal amount of the Notes (the **Calculation Amount**), multiplying such sum by the Day Count Fraction and rounding the resultant figure to the nearest cent, half a cent being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable in respect of each 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.

**4A.03** Except in the case of the Initial Rate of Interest, the Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period within a Reset Period to be notified to the Bank and any stock exchange on which the relevant 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. 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.

**4A.04** All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4A by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the Fiscal Agent, the other Paying and Conversion Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Bank, the Noteholders or the Couponholders shall attach to the Fiscal Agent in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **4B. Cancellation of Interest**

**4B.01** The Bank may elect, in its sole and absolute discretion, to cancel any payment of interest that is otherwise scheduled to be paid on an Interest Payment Date in whole or in part at any time and for any reason. Following any such election, the Bank shall give notice to Noteholders in accordance with Condition 13 and to the Fiscal Agent of the cancellation of such interest payment.

Any failure by the Bank to give any such notice to or otherwise to so notify Noteholders will not in any way impact on the effectiveness of, or otherwise invalidate, any cancellation of any payment of interest pursuant to this Condition 4B or give Holders any rights as a result of such failure.

**4B.02** Payments of interest in respect of the Notes in any financial year of the Bank shall be made only out of Distributable Items of the Bank. To the extent that (i) the Bank has insufficient Distributable Items to make any payment of interest in respect of the Notes scheduled for payment in the then current financial year and any other interest payments or distributions paid and/or required and/or scheduled to be paid on own funds instruments out of Distributable Items in such financial year in accordance with Applicable Banking Regulations, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Bank, and/or (ii) the SFSA, in accordance with Applicable Banking Regulations then in force, requires the Bank to cancel the relevant Distribution in whole or in part, then the Bank will, without prejudice to the right above to cancel all such payments of interest in respect of the Notes, make partial or, as the case may be, no such payment of interest in respect of the Notes.

In these Terms and Conditions, **Distributable Items** shall have the meaning given to such term in CRD V, as interpreted and applied in accordance with Applicable Banking Regulations.

**4B.03** No payment of interest will be made in respect of the Notes if and to the extent that such payment would cause the Maximum Distributable Amount (if any) then applicable to the Bank and/or the SEB Group to be exceeded.

**4B.04** Interest payments in respect of the Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes as a result of any (i) election of the Bank to cancel such payment of interest pursuant to Condition 4B.01 above or the limitations on payment set out in Conditions 4B.02 and 4B.03 above or (ii) automatic cancellation of such payment of interest pursuant to Condition 5A.02 below, then the right of the Holders to receive the relevant interest payment (or part thereof) in respect of the relevant Interest Period will be extinguished and the Bank will have no obligation to pay such interest (or part thereof) accrued for such Interest Period or to pay any interest thereon, whether or not interest on the Notes is paid in respect of any future Interest Period.

If the Bank does not make any payment of interest (or part thereof) on any Interest Payment Date, such non-payment shall evidence the cancellation of such interest payment (or relevant part thereof) in accordance with this

Condition 4B or, as appropriate, the Bank's exercise of its discretion to cancel such interest payment (or relevant part thereof) in accordance with this Condition 4B, and accordingly, such interest (or part thereof) shall not in any such case be due and payable.

**4B.05** No such election to cancel the payment of any interest (or part thereof) in respect of the Notes pursuant to Condition 4B.01 above or non-payment of any interest (or part thereof) in respect of the Notes as a result of the limitations on payment set out in Conditions 4B.02 and 4B.03 above will constitute an event of default or the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the Bank to be declared bankrupt (*konkurs*) or for the liquidation (*likvidation*), winding-up or dissolution of the Bank or in any way limit or restrict the Bank from making any payment of interest or equivalent payment or other distribution in connection with any instrument ranking junior to the Notes (including, without limitation, any CET1 Capital of the Bank or the SEB Group) or in respect of any other Additional Tier 1 Instrument.

## **5. Loss Absorption, Redemption and Purchase**

### **5A. Loss Absorption**

#### *Automatic Conversion upon a Trigger Event*

**5A.01** If a Trigger Event occurs at any time on or after the Issue Date, then the Notes will be converted automatically (and without any requirement for the consent or approval of Noteholders) into Conversion Shares at the Conversion Price (such conversion, an **Automatic Trigger Conversion**) on the date of such Trigger Event (such date, the **Conversion Date**) as provided in this Condition 5A.

For the purposes of determining whether a Trigger Event has occurred, the Bank will (i) calculate the CET1 ratios of the Bank and the SEB Group based on information (whether or not published) available to management of the Bank, including information internally reported within the Bank pursuant to its procedures for ensuring effective ongoing monitoring of the capital ratios of the Bank and the SEB Group and (ii) calculate and publish the CET1 ratios of the Bank and the SEB Group on at least a quarterly basis.

#### *Effect of Automatic Trigger Conversion*

**5A.02** From and including the Conversion Date:

- (i) the principal amount of the Notes will be permanently reduced to zero and, accordingly, shall equal zero at all times thereafter;
- (ii) any accrued and unpaid interest in respect of the Notes shall be cancelled automatically and no further interest shall accrue or be due and payable on the Notes at any time thereafter;
- (iii) Holders will have no rights or claim against the Bank with respect to the payment of any principal, interest or other amount on or in respect of the Notes (except as provided in Condition 3.01(b)); and
- (iv) subject to the last paragraph of Condition 5A.07, the Bank's only remaining obligation under the Notes shall be an obligation to deliver Conversion Shares to the Settlement Shares Depository on behalf of the Noteholders on the Interim Conversion Settlement Date and the Registration Date in accordance with this Condition 5A.

An Automatic Trigger Conversion will not constitute an event of default or the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the Bank to be declared bankrupt (*konkurs*) or for the liquidation (*likvidation*), winding-up or dissolution of the Bank.

#### *No Optional Conversion or Cash Redemption*

**5A.03** The Notes are not at any time convertible into Conversion Shares at the option of the Noteholders or the Bank and no amount in respect of the Notes is redeemable in cash as a result of an Automatic Trigger Conversion.

#### *Automatic Trigger Conversion Procedure*

**5A.04** Upon the occurrence of an Automatic Trigger Conversion, the Bank shall give notice of such Automatic Trigger Conversion (an **Automatic Trigger Conversion Notice**) to Noteholders in accordance with Condition 13 and to the Fiscal Agent (the date on which such notice is given, the **Automatic Trigger Conversion Notice Date**), which notice, in addition to specifying that an Automatic Trigger Conversion has occurred, shall specify the

Conversion Price. The Bank shall further give notice to Noteholders in accordance with Condition 13 and to the Fiscal Agent as soon as reasonably practicable following the giving of the Automatic Trigger Conversion Notice of the details of the arrangements for the settlement of the Automatic Trigger Conversion, including the Settlement Shares Offer and the appointment of the Settlement Shares Offer Agent, the Interim Conversion Settlement Date, the expected Registration Date and any appointment of a Selling Agent (the **Automatic Trigger Conversion Settlement Notice**).

Any failure by the Bank to give any such notice to or otherwise to so notify Noteholders will not in any way impact on the effectiveness of, or otherwise invalidate, any Automatic Trigger Conversion, or give Holders any rights as a result of such failure.

#### *Conversion Shares*

**5A.05** The number of Conversion Shares which are to be issued and delivered in respect of each Note on an Automatic Trigger Conversion shall be determined by dividing the aggregate principal amount of such Note outstanding immediately prior to the Conversion Date by the Conversion Price rounded down, if necessary, to the nearest whole number of Conversion Shares.

The Conversion Shares issued and delivered on an Automatic Trigger Conversion will be fully paid and will in all respects rank *pari passu* with the fully paid Class A Shares in issue on the date on which such Conversion Shares are registered in the Bank's share register through registration of such Conversion Shares in the relevant share accounts maintained with the Share Registrar following registration of the Conversion Shares with the SCRO (such date, the **Registration Date**), except in any such case for any right excluded by mandatory provisions of applicable law and except that such Conversion Shares will only carry a right to dividends, distributions or payments and other rights having a record date or other due date for the establishment or entitlement for which that falls on or after the Registration Date. If the Registration Date is to be other than as specified in the Automatic Trigger Conversion Settlement Notice, the Bank shall give notice of such Registration Date to Noteholders in accordance with Condition 13.

Prior to the Registration Date, such Conversion Shares will be registered in the Bank's share register through registration in the relevant share accounts maintained with the Share Registrar on an interim basis in accordance with the rules and procedures for the time being of the Share Registrar (the Conversion Shares so registered on an interim basis, the **Interim Conversion Shares**).

#### *Delivery of Conversion Shares to Settlement Shares Depositary*

**5A.06** Subject to the last paragraph of Condition 5A.07, the obligation of the Bank to issue and deliver Conversion Shares to a Noteholder shall be satisfied by the delivery of the Interim Conversion Shares in respect of the Note(s) of such Noteholder to the Settlement Shares Depositary on the Interim Conversion Settlement Date and, following registration with the SCRO, the final delivery of such Conversion Shares to the Settlement Shares Depositary or the relevant holder, as the case may be, as soon as practicable following the Registration Date. Such delivery will be deemed to have occurred when the Interim Conversion Shares and Conversion Shares, respectively are registered in the name of the Settlement Shares Depositary or the relevant holder, as the case may be, by the Share Registrar as described in Condition 5A.05 above. Receipt of the Conversion Shares by the Settlement Shares Depositary and registration of the Conversion Shares with the SCRO shall discharge the Bank's obligations in respect of the Notes.

Noteholders shall have recourse to the Bank only for the issue and delivery of Conversion Shares to the Settlement Shares Depositary and registration of the Conversion Shares with the SCRO pursuant to these Conditions. With effect on and from the delivery of any such Conversion Shares to the Settlement Shares Depositary and their registration with the SCRO, a Noteholder shall have recourse only to the Settlement Shares Depositary for the delivery of the relevant Conversion Shares to be delivered in respect of its Note(s) as determined in accordance with Condition 5A.05 or, in the circumstances described in Conditions 5A.07(iv) and 5A.08, any cash amounts to which that Noteholder is entitled under Conditions 5A.07(iv) or 5A.08, as the case may be.

#### *Procedure for Settlement and Delivery of Conversion Shares to Noteholders*

**5A.07** On any Automatic Trigger Conversion, the Conversion Shares to be issued and delivered shall be issued and delivered subject to and as provided below:

- (i) on the Interim Conversion Settlement Date and the Registration Date, the Bank shall deliver (in accordance with Condition 5A.06) to the Settlement Shares Depository or the relevant holder, as the case may be, such number of Conversion Shares as is required to satisfy in full its obligation to deliver Conversion Shares on the Interim Conversion Settlement Date and the Registration Date;
- (ii) in order to obtain delivery of the relevant Conversion Shares from the Settlement Shares Depository upon any Automatic Trigger Conversion on or following the Offer Settlement Date, the relevant Noteholder must deliver a duly completed Delivery Notice, together with the relevant Notes held by it, to a Paying and Conversion Agent at its specified office by no later than the 5th Business Day (in the relevant place of delivery) immediately preceding the Offer Settlement Date (such 5th Business Day, the **Notice Cut-off Date**);
- (iii) subject to completion of the Settlement Shares Offer and as otherwise provided herein, the Fiscal Agent shall give instructions to the Settlement Shares Depository for the Conversion Shares not sold pursuant to the Settlement Shares Offer to be delivered by the Settlement Shares Depository on the Offer Settlement Date in accordance with the instructions given in the relevant Delivery Notice, provided that such duly completed Delivery Notice and the relevant Notes have been so delivered not later than the Notice Cut-off Date; and
- (iv) in the case of any Noteholder which fails to deliver a duly completed Delivery Notice, together with the relevant Notes held by it, the relevant Conversion Shares shall, subject to the Settlement Shares Offer, continue to be held by the Settlement Shares Depository on behalf of such Noteholder until such Noteholder delivers a duly completed Delivery Notice, together with its relevant Notes, to a Paying and Conversion Agent as provided above or the sale of such Conversion Shares by a Selling Agent as provided below.

Subject to completion of the Settlement Shares Offer and there being Conversion Shares not sold pursuant to the Settlement Shares Offer, the Bank may in its sole and absolute discretion (and the relevant Holders of such Notes shall be deemed to agree thereto) elect to appoint prior to the Automatic Trigger Conversion a person (the **Selling Agent**) to procure that all Conversion Shares held by the Settlement Shares Depository that are not sold pursuant to the Settlement Shares Offer and in respect of which a duly completed Delivery Notice and the relevant Notes have not been delivered on or before the Notice Cut-Off Date (the **Conversion Share Sale Cut-off Date**), shall be sold by the Selling Agent as soon as reasonably practicable.

In the relevant Automatic Trigger Conversion Settlement Notice, the Bank shall notify Noteholders whether it has appointed a Selling Agent for the sale of any such Conversion Shares. Subject to the deduction by or on behalf of each of the Selling Agent and the Settlement Shares Depository of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue, registration and/or transfer taxes and duties (if any) and any fees or costs incurred by or on behalf of the Selling Agent or the Settlement Shares Depository in connection with the issue, allotment and sale thereof, the net proceeds of any such sale of Conversion Shares, converted into U.S. dollars at the Prevailing Exchange Rate on the date of sale of such Conversion Shares, if necessary, shall as soon as reasonably practicable be distributed rateably by the Settlement Shares Depository to the relevant Noteholders in accordance with Condition 8 or in such other manner and at such time as shall be notified to the relevant Noteholders in accordance with Condition 13 and to the Fiscal Agent. Such payment shall for all purposes discharge the obligations of the Bank, the Settlement Shares Depository and the Selling Agent in respect of the Automatic Trigger Conversion of the relevant Notes.

Delivery of the Conversion Shares by the Settlement Shares Depository to Noteholders will be made solely by book-entry with the Share Registrar and no physical share certificate will be delivered to any Noteholder in respect of any Conversion Share. Any Delivery Notice shall be irrevocable. Failure properly to complete and deliver a Delivery Notice and deliver the relevant Notes may result in such Delivery Notice being treated as null and void, and the sale of any applicable Conversion Shares to which the relevant Noteholder may be entitled in accordance with this Condition 5A.07. Any determination as to whether any Delivery Notice has been properly completed and delivered together with the relevant Note(s) as provided in this Condition 5A.07 shall be made by the Settlement

Shares Depository in its sole discretion and shall, in the absence of manifest error, be conclusive and binding on the relevant Noteholder.

For so long as any Conversion Shares are held by the Settlement Shares Depository on behalf of a Noteholder, the Settlement Shares Depository, subject to applicable laws, shall also hold any Cash Dividends and any other dividends or rights distributed to all other Shareholders as a class in respect of such Conversion Shares for such Noteholder. The Settlement Shares Depository shall use its reasonable endeavours to sell any such rights in the open market before expiry and it shall hold the cash proceeds received from such sale (after deduction of any costs or expenses incurred by it in relation thereto) on behalf of each Noteholder. Cash Dividend(s) (and other dividends or rights or proceeds therefrom) shall be paid to the relevant Noteholder in accordance with the instructions given in the relevant Delivery Notice or otherwise in accordance with Condition 8.

The Bank, the Settlement Shares Depository and the Selling Agent shall have no liability in respect of the exercise or non-exercise of any discretion or power pursuant to this Condition 5A.07 or in respect of any sale of any Conversion Shares or rights, whether for the timing of any such sale or the price at or manner in which any such Conversion Shares or rights are sold or the inability to sell any such Conversion Shares or rights.

If the Bank does not appoint the Selling Agent prior to the Automatic Trigger Conversion, or if any Conversion Shares are not sold by the Selling Agent in accordance with this Condition 5A.07, such Conversion Shares shall continue to be held by the Settlement Shares Depository until the relevant Noteholder delivers a duly completed Delivery Notice and the relevant Notes.

Any costs incurred by the Settlement Shares Depository or any parent, subsidiary or affiliate of the Settlement Shares Depository in connection with the holding by the Settlement Shares Depository of any Conversion Shares and any amount received in respect thereof shall be deducted by the Settlement Shares Depository from such amount prior to the delivery of such Conversion Shares and payment of such amount to the relevant Noteholder.

Neither the Settlement Shares Depository nor the Bank shall have any liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares (or cash proceeds) or from any delay in the receipt thereof, in each case as a result of such Noteholder failing to deliver a duly completed Delivery Notice and the relevant Notes on a timely basis or at all.

If the Bank has been unable to appoint a Settlement Shares Depository prior to the Automatic Trigger Conversion, it shall make such other arrangements prior to the Automatic Trigger Conversion for the issuance and/or delivery of the Conversion Shares to the Noteholders as it shall consider reasonable in the circumstances, which may include issuing the Conversion Shares to the Noteholders directly, which issuance shall irrevocably and automatically release all of the Bank's obligations under the Notes as if the Conversion Shares had been issued to the Settlement Shares Depository. In such circumstances, the Bank will specify details about the relevant arrangements in the Automatic Trigger Conversion Settlement Notice.

#### *Settlement Shares Offer*

**5A.08** Prior to the Automatic Trigger Conversion, the Bank shall appoint a placement agent (the **Settlement Shares Offer Agent**) acting on behalf, and for the account, of the Noteholders to conduct an offering of the Conversion Shares (the **Settlement Shares Offer**), which Settlement Shares Offer Agent may be the Bank or a third party. The Settlement Shares Offer shall be made on a *pro rata* basis to all shareholders of the Bank on the applicable record date who are eligible to participate in the Settlement Shares Offer, subject to applicable laws and regulations.

In the relevant Automatic Trigger Conversion Settlement Notice, the Bank shall notify Noteholders of the appointment of the Settlement Shares Offer Agent to conduct the Settlement Shares Offer. The Settlement Shares Depository shall deliver the relevant Conversion Shares to or to the order of the Settlement Shares Offer Agent for this purpose prior to the end of the Offer Settlement Period (as defined below).

The Conversion Shares shall be offered to such shareholders pursuant to the Settlement Shares Offer at a price per Conversion Share equal to the Conversion Price plus the amount necessary to provide for the payment by subscribing shareholders of the Settlement Shares Offer Expenses (as defined below) in order that the cash proceeds received from the Settlement Shares Offer will result in the payment to Noteholders in respect of each Conversion Share to which they would otherwise have been entitled of an amount not less than the Conversion Price. The Settlement Shares Offer shall be completed in a period of no more than 40 Business Days from (and including) the Business Day immediately following the Conversion Date to (and including) the date of completion

of the Settlement Shares Offer (such period, the **Offer Settlement Period**). Neither the Bank nor the Settlement Shares Depository shall incur any liability whatsoever to the Noteholders in respect of the appointment of the Settlement Shares Offer Agent or its conduct.

In the event of the Settlement Shares Offer being fully subscribed by or before the end of the Offer Settlement Period, Noteholders shall, pursuant to the agreement appointing the Settlement Shares Offer Agent, be entitled to receive from the Settlement Shares Offer Agent on the 5th Business Day from (and including) the Business Day immediately following the end of the Offer Settlement Period (the **Offer Settlement Date**), in respect of each Conversion Share to which they were otherwise entitled, the cash proceeds realised from such sale of such Conversion Share in the Settlement Shares Offer (being an amount not less than the Conversion Price after the deduction by or on behalf of the Settlement Shares Offer Agent and the Settlement Shares Depository of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue, registration and/or transfer taxes and duties (if any) and any fees or costs incurred by or on behalf of the Bank, the Settlement Shares Offer Agent or the Settlement Shares Depository in connection with the issue, allotment and sale thereof (the **Settlement Shares Offer Expenses**). In the event that the Settlement Shares Offer is only partially subscribed, Noteholders shall in aggregate be entitled to receive from the Settlement Shares Offer Agent, pursuant to the agreement appointing the Settlement Shares Offer Agent, on a *pro rata* basis (a) the cash proceeds realised from the sale of the relevant Conversion Shares in such Settlement Shares Offer (after the deduction of the Settlement Shares Offer Expenses), which shall be an amount not less than the Conversion Price multiplied by the aggregate number of Conversion Shares sold on the Offer Settlement Date, together with (b) the number of Conversion Shares not subscribed pursuant to the Settlement Shares Offer on the dates described in Condition 5A.07 from the Settlement Shares Depository. In the case that no Conversion Shares are subscribed in the Settlement Shares Offer, Noteholders shall be entitled to receive the relevant Conversion Shares on the dates described in Condition 5A.07 from the Settlement Shares Depository.

The Bank shall give notice of the Offer Settlement Date and the Notice Cut-off Date to Noteholders in accordance with Condition 13 promptly following the commencement of the Settlement Shares Offer, which Notice Cut-off Date shall be not less than 10 Business Days following the date of such notice.

#### *Taxes and Duties*

**5A.09** A Noteholder, Settlement Shares Offer Agent or Selling Agent must pay (in the case of the Settlement Shares Offer Agent or the Selling Agent by means of deduction from the net proceeds of sale referred to in Conditions 5A.07 and 5A.08 above) any taxes and capital, stamp, issue and registration and transfer taxes or duties arising on Automatic Trigger Conversion and such Noteholder, Settlement Shares Offer Agent or the Selling Agent (as the case may be) must pay (in the case of the Settlement Shares Offer Agent or the Selling Agent, by way of deduction from the net proceeds of sale as aforesaid) all, if any, taxes arising by reference to any disposal or deemed disposal of a Note or interest therein.

#### *Fractions*

**5A.10** Fractions of Conversion Shares will not be issued and delivered on Automatic Trigger Conversion and no cash payment or other adjustment will be made in lieu thereof. Without prejudice to the generality of the foregoing, if one or more Delivery Notices and the related Notes are received by or on behalf of the Settlement Shares Depository such that the Conversion Shares to be delivered by the Settlement Shares Depository are to be registered in the same name, the number of such Conversion Shares to be delivered in respect thereof shall be calculated on the basis of the aggregate principal amount of such Notes being so converted and rounded down to the nearest whole number of Conversion Shares.

Where Conversion Shares are to be issued and delivered to the Selling Agent pursuant to Condition 5A.07 above, the number of Conversion Shares to be so issued and delivered shall be calculated on the basis of the aggregate principal amount of the Notes to be converted in respect of which such issue and delivery is to be made and rounded down, if necessary, to the nearest whole number of Conversion Shares.

#### *Adjustment of Floor Price*

**5A.11** Upon the happening of any of the events described below, the Floor Price shall be adjusted as follows:

- (a) If and whenever there shall be a consolidation (Sw: *sammanläggning*), reclassification (Sw: *omvandling*) or subdivision (Sw: *uppdelning*) affecting the number of Class A Shares, the Floor Price shall be adjusted



by multiplying the Floor Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Class A Shares in issue immediately before such consolidation, reclassification/redesignation or subdivision, as the case may be; and
- B is the aggregate number of Class A Shares in issue immediately after, and as a result of, such consolidation, reclassification/redesignation or subdivision, as the case may be;

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

- (b) If and whenever the Bank shall issue any Class A Shares credited as fully paid to Shareholders by way of capitalisation of profits or reserves (Sw: *fondemission*) (including any share premium account or capital redemption reserve) other than (i) where any such Class A Shares are or are to be issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have elected to receive, (ii) where the Shareholders may elect to receive a Dividend in cash in lieu of such Class A Shares or (iii) where any such Class A Shares are or are expressed to be issued in lieu of a Dividend (whether or not a cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Class A Shares in issue immediately before such issue; and
- B is the aggregate number of Class A Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Class A Shares.

- (c) (i) If and whenever the Bank shall pay any Extraordinary Dividend to Shareholders, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Class A Share on the Effective Date; and
- B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Class A Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Class A Shares entitled to receive the relevant Dividend.

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Extraordinary Dividend can be determined.

**Effective Date** means, in respect of this Condition 5A.11(c)(i), the first date on which the Class A Shares are traded ex-the relevant Cash Dividend on the Relevant Stock Exchange.

**Extraordinary Dividend** means any Cash Dividend which is expressed by the Bank or declared by the Board of Directors of the Bank to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to

Shareholders or any analogous or similar term, in which case the Extraordinary Dividend shall be such Cash Dividend.

- (ii) If and whenever the Bank shall pay or make any Non-Cash Dividend to Shareholders, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Class A Share on the Effective Date; and
- B is the portion of the Fair Market Value of the aggregate Non-Cash Dividend attributable to one Class A Share, with such portion being determined by dividing the Fair Market Value of the aggregate Non-Cash Dividend by the number of Class A Shares entitled to receive the relevant Non-Cash Dividend (or, in the case of a purchase, redemption or buy back of Class A Shares or any depositary or other receipts or certificates representing Class A Shares by or on behalf of the Bank or any member of the SEB Group, by the number of Class A Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Class A Shares, or any Class A Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Non-Cash Dividend is capable of being determined as provided herein.

**Effective Date** means, in respect of this Condition 5A.11(c)(ii), the first date on which the Class A Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase, redemption or buy back of Class A Shares or any depositary or other receipts or certificates representing Class A Shares by or on behalf of the Bank or any member of the SEB Group, the date on which such purchase, redemption or buy back is made (or, in any such case if later, the first date upon which the Fair Market Value of the relevant Dividend is capable of being determined as provided herein) or in the case of a Spin-Off, the first date on which the Class A Shares are traded ex-the relevant Spin-Off on the Relevant Stock Exchange.

- (iii) For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined as at the Effective Date.
- (iv) In making any calculations for the purposes of this Condition 5A.11(c), such adjustments (if any) shall be made as an Independent Financial Adviser may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Class A Shares or (ii) the issue of Class A Shares by way of capitalisation of profits or reserves (or any like or similar event) or (iii) any increase in the number of Class A Shares in issue in the Relevant Year in question.
- (d) If and whenever the Bank shall issue Class A Shares to Shareholders as a class by way of rights, or the Bank or any member of the SEB Group or (at the direction or request or pursuant to any arrangements with the Bank or any member of the SEB Group) any other company, person or entity shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Class A Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to acquire, any Class A Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Class A Share which is less than 95 per cent. of the Current Market Price per Class A Share on the Effective Date, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Class A Shares in issue on the Effective Date;
- B is the number of Class A Shares which the aggregate consideration (if any) receivable for the Class A Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued or granted by way of rights and for the total number of Class A Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Class A Share; and
- C is the number of Class A Shares to be issued or, as the case may be, the maximum number of Class A Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate,

provided that if, on the Effective Date, such number of Class A Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of the Condition 5A.11(d), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 5A.11(d), the first date on which the Class A Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- (e) If and whenever the Bank or any member of the SEB Group or (at the direction or request or pursuant to any arrangements with the Bank or any member of the SEB Group) any other company, person or entity shall issue any Securities (other than Class A Shares or options, warrants or other rights to subscribe for or purchase or otherwise acquire any Class A Shares or Securities which by their terms carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or rights to otherwise acquire, Class A Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities (other than Class A Shares or options, warrants or other rights to subscribe for or purchase or otherwise acquire Class A Shares or Securities which by their term carry (directly or indirectly) rights of conversion into, or exchange or subscription for, rights to otherwise acquire, Class A Shares), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Class A Share on the Effective Date; and
- B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Class A Share.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 5A.11(e), the first date on which the Class A Shares are traded ex-the relevant Securities or ex-rights, ex-option or ex-warrants on the Relevant Stock Exchange.

- (f) If and whenever the Bank shall issue (otherwise than as mentioned in Condition 5A.11(d) above) wholly for cash or for no consideration any Class A Shares (other than Class A Shares issued on conversion of the Notes or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or right to otherwise acquire Class A Shares) or if and whenever the Bank or any member of the SEB Group or (at the direction or request or pursuant to any arrangements with the Bank or any member of the SEB Group) any other company, person or entity shall issue or grant (otherwise than as mentioned in Condition 5A.11(d) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Class A Shares (other than the Notes, which term shall for this purpose include any Other Contingently Convertible Securities), in each case at a price per Class A Share which is less than 95 per cent. of the Current Market Price per Class A Share on the date of the first public announcement of the terms of such issue or grant, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Class A Shares in issue immediately before the issue of such Class A Shares or the grant of such options, warrants or rights;
- B is the number of Class A Shares which the aggregate consideration (if any) receivable for the issue of such Class A Shares or, as the case may be, for the Class A Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Class A Share on the date of the first public announcement of the terms of such issue or grant; and
- C is the number of Class A Shares to be issued pursuant to such issue of such Class A Shares or, as the case may be, the maximum number of Class A Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights,

provided that if, on the Effective Date, such number of Class A Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of the Condition 5A.11(f), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 5A.11(f), the date of issue of such Class A Shares or, as the case may be, the grant of such options, warrants or rights.

- (g) If and whenever the Bank or any member of the SEB Group or (at the direction or request of or pursuant to any arrangements with the Bank or any member of the SEB Group) any other company, person or entity (otherwise than as mentioned in Conditions 5A.11(d), 5A.11(e) or 5A.11(f) above) shall issue wholly for cash or for no consideration any Securities (other than the Notes, which term shall for this purpose include any Other Contingently Convertible Securities) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, purchase of, or rights to otherwise acquire, Class A Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be reclassified/redesignated as Class A Shares, and the consideration per Class A Share receivable upon conversion, exchange, subscription, purchase, acquisition or redesignation is less than 95 per cent. of the Current Market Price per Class A Share on the date of the first public announcement of the terms of issue of such Securities (or the terms of such grant), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Class A Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, purchase of, or rights to otherwise acquire Class A Shares which have been issued, purchased or acquired by the Bank or any member of the SEB Group (or at the direction or request or pursuant to any arrangements with the Bank or any member of the SEB Group) for the purposes of or in connection with such issue, less the number of such Class A Shares so issued, purchased or acquired);
- B is the number of Class A Shares which the aggregate consideration (if any) receivable for the Class A Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to such Securities or, as the case may be, for the Class A Shares to be issued or to arise from any such reclassification/redesignation would purchase at such Current Market Price per Class A Share; and
- C is the maximum number of Class A Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange, subscription, purchase or acquisition price or rate or, as the case may be, the maximum number of Class A Shares which may be issued or arise from any such reclassification/redesignation;.

provided that if, on the Effective Date, such number of Class A Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or, as the case may be, such Securities are reclassified/redesignated or at such other time as may be provided), then for the purposes of this Condition 5A.11(g), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, reclassification/redesignation had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 5A.11(g), the date of issue of such Securities or, as the case may be, the grant of such rights.

- (h) If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Notes, which term shall for this purpose include any Other Contingently Convertible Securities) as are mentioned in Condition 5A.11(g) above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Class A Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Class A Share on the date of the first public announcement of the proposals for such modification, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Class A Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Class A Shares which have been issued, purchased or acquired by the Bank or any member of the SEB Group (or at the direction or request or pursuant to any arrangements with the Bank or any member of the SEB Group) for the purposes of or in

connection with such Securities, less the number of such Class A Shares so issued, purchased or acquired);

- B is the number of Class A Shares which the aggregate consideration (if any) receivable for the Class A Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Class A Share or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Class A Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as an Independent Financial Adviser in good faith shall consider appropriate for any previous adjustment under this Condition 5A.11(h) or Condition 5A.11(g) above;

provided that if, on the Effective Date, such number of Class A Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided) then for the purposes of this Condition 5A.11(h), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 5A.11(h), the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

- (i) If and whenever the Bank or any member of the SEB Group or (at the direction or request of or pursuant to any arrangements with the Bank or any member of the SEB Group) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Floor Price falls to be adjusted under Conditions 5A.11(b), 5A.11(c), 5A.11(d), 5A.11(e) or 5A.11(f) above or Condition 5A.11(j) below (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Class A Share on the relevant dealing day)) the Floor Price shall be adjusted by multiplying the Floor Price in force immediately before the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Class A Share on the Effective Date; and

B is the Fair Market Value on the Effective Date of the portion of the relevant offer attributable to one Class A Share.

Such adjustment shall become effective on the Effective Date.

**Effective Date** means, in respect of this Condition 5A.11(i), the first date on which the Class A Shares are traded ex-rights on the Relevant Stock Exchange.

- (j) If the Bank determines that a reduction to the Floor Price should be made for whatever reason, the Floor Price will be reduced (either generally or for a specified period as notified to Noteholders) in such manner and with effect from such date as the Bank shall determine and notify to the Noteholders

Notwithstanding the foregoing provisions:

- (A) where the events or circumstances giving rise to any adjustment pursuant to this Condition 5A.11 have already resulted or will result in an adjustment to the Floor Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Floor Price or where more than one event which gives rise to an adjustment to the Floor Price occurs within such a short period of time that, in the opinion of the Bank, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate to give the intended result; and
- (B) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Floor Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once.

For the purpose of any calculation of the consideration receivable or price pursuant to Conditions 5A.11(d), 5A.11(f), 5A.11(g) and 5A.11(h), the following provisions shall apply:

- (1) the aggregate consideration receivable or price for Class A Shares issued for cash shall be the amount of such cash;
- (2) (x) the aggregate consideration receivable or price for Class A Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Class A Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Bank to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date as referred to in Conditions 5A.11(d), 5A.11(f), 5A.11(g) or 5A.11(h), as the case may be, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Class A Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Class A Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;
- (3) if the consideration or price determined pursuant to (1) or (2) above (or any component thereof) shall be expressed in a currency other than the Share Currency, it shall be converted into the Share Currency at the Prevailing Exchange Rate on the relevant Effective Date (in the case of (1) above) or the relevant date of first public announcement (in the case of (2) above);
- (4) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Class A Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and
- (5) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable regardless of whether all or part thereof is received, receivable, paid or payable by or to the Bank or another entity.

*Decision of an Independent Financial Adviser*

**5A.12** If any doubt shall arise as to whether an adjustment falls to be made to the Floor Price or as to the appropriate adjustment to the Floor Price, and following consultation between the Bank and an Independent

Financial Adviser, a written determination of such Independent Financial Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error.

#### *Share or Option Schemes*

**5A.13** No adjustment will be made to the Floor Price where Class A Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Bank or any of member of the SEB Group or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option or similar scheme.

#### *Rounding Down and Notice of Adjustment to the Floor Price*

**5A.14** On any adjustment, the resultant Floor Price, if a number of more decimal places than the initial Floor Price, shall be rounded down to such decimal place. No adjustment shall be made to the Floor Price where such adjustment (rounded down if applicable) would be less than 1 per cent. of the Floor Price then in effect. Any adjustment not required to be made and/or any amount by which the Floor Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Floor Price shall be given by the Bank to Noteholders in accordance with Condition 13 and to the Fiscal Agent promptly after the determination thereof.

#### *Purchase or Redemption of Class A Shares*

**5A.15** The Bank or any member of the SEB Group may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares of the Bank (including Class A Shares) or any depositary or other receipts or certificates representing the same without the consent of the Noteholders.

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

#### *No Final Maturity*

**5B.01** The Notes have no final maturity and are only redeemable or repayable in accordance with the relevant provisions set out in this Condition 5B. The Notes are not redeemable at the option of the Noteholders at any time.

#### *Issuer Call*

**5B.02** The Bank may, upon the expiry of the appropriate notice, redeem all (but not some only), of the Notes then outstanding on the First Reset Date or at any time thereafter and at their outstanding principal amount together, if appropriate, with interest accrued to (but excluding) the relevant redemption date.

The appropriate notice referred to in this Condition 5B.02 is a notice given by the Bank to the Fiscal Agent and the Holders of the Notes, which notice shall be signed by two duly authorised officers of the Bank and shall specify:

- (i) that the Notes are subject to redemption; and
- (ii) the due date for such redemption, which shall be the First Reset Date or any time thereafter which, in each case, is not more than 60 days and not less than 30 days after the date on which such notice is validly given.

Subject to Condition 5B.07 below, any such notice shall be irrevocable, and the delivery thereof shall oblige the Bank to make the redemption therein specified.

#### *Redemption upon Tax Event or Capital Event*

**5B.03** Upon the occurrence of a Tax Event or a Capital Event, the Bank may, at its option, having given not less than 30 days' nor more than 60 days' notice to the Holders of the Notes in accordance with Condition 13 (which notice, subject to Condition 5B.07 below, shall be irrevocable), at any time redeem all (but not some only) of the Notes at their outstanding principal amount together, if appropriate, with interest accrued to (but excluding) the date of redemption.

#### *Purchase of Notes*



**5B.04** The Bank may purchase Notes in the open market or otherwise and at any price provided that all (if any) Coupons and Talons appertaining thereto are purchased therewith.

*Cancellation of Redeemed and Purchased Notes*

**5B.05** All Notes redeemed or purchased in accordance with this Condition 5B and all Coupons and Talons attached thereto or surrendered or purchased therewith will be cancelled and may not be reissued or resold. References in this Condition 5B to the purchase of Notes by the Bank shall not include the purchase of Notes otherwise than as beneficial owner.

*SFSA approval*

**5B.06** Any redemption or purchase of Notes pursuant to this Condition 5B is subject to the prior approval of the SFSA (where such prior approval is required pursuant to Applicable Banking Regulations) and Applicable Banking Regulations then in force.

*Occurrence of a Trigger Event*

**5B.07** If any notice of redemption or substitution or variation of the Notes is given pursuant to this Condition 5B and prior to the relevant redemption date or substitution or variation of the Notes a Trigger Event occurs, the relevant redemption or substitution or variation notice shall be automatically rescinded and shall be of no force and effect, there shall be no redemption of the Notes on such redemption date or substitution or variation of the Notes, as applicable, and, instead, an Automatic Trigger Conversion shall occur as provided under Condition 5A.

*Substitution or Variation instead of Redemption*

**5B.08** If at any time a Tax Event or a Capital Event occurs, or to ensure the effectiveness or enforceability of Condition 16.03, the Bank may, to the extent permitted at any time by Applicable Banking Regulations and subject to the prior approval of the SFSA, (without any requirement for the consent or approval of the Holders of the Notes) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with the Conditions, the Holders of the Notes (which notice, subject to Condition 5B.07 above, shall be irrevocable), at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities.

**5C. Undertakings**

Whilst any Note remains outstanding, the Bank will, save with the approval of an Extraordinary Resolution:

- (a) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on Conversion, Class A Shares could not, under any applicable law then in effect, be legally issued as fully paid;
- (b) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associates of the offeror) to acquire all or a majority of the issued Class A Shares, or if a scheme is proposed with regard to such acquisition (other than a Newco Scheme), give notice of such offer or scheme to the Noteholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying and Conversion Agents and, where such an offer or scheme has been recommended by the board of directors of the Bank, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use all reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Conversion Shares issued during the period of the offer or scheme and/or to the holders of the Notes;
- (c) in the event of a Newco Scheme, take (or shall procure that there is taken) all necessary action to ensure that such amendments are made to these Conditions immediately after completion of the Scheme of Arrangement as are necessary to ensure that the Notes may be converted into or exchanged for ordinary shares in Newco (or depositary or other receipts or certificates representing ordinary shares of Newco) *mutatis mutandis* in accordance with and subject to these Conditions and the ordinary shares of Newco are:
  - (i) admitted to the Relevant Exchange; or
  - (ii) listed and/or admitted to trading on another recognised stock exchange,

and the Noteholders irrevocably authorise the Bank to make such amendments to these Conditions without the need for any further authorisation from the Noteholders;

- (d) issue, allot and deliver Class A Shares upon Conversion subject to and as provided in Condition 5A;
- (e) use all reasonable endeavours to ensure that its issued and outstanding Class A Shares and the Class A Shares issued upon Conversion will be admitted to listing and trading on the Relevant Stock Exchange or will be listed and/or admitted to trading on another recognised stock exchange;
- (f) ensure that all necessary steps are taken for the registration with the SCRO of the Conversion Shares as soon as practicable following the relevant Conversion Date and that on the business day in Stockholm immediately following such registration (which date shall be not later than one month following (or such other period as Applicable Banking Regulations may require) the Conversion Date) the Bank will register or procure that there is registered in the Bank's share register through registration in the share accounts maintained with the Share Registrar the Settlement Shares Depository or other relevant holder of the relevant number of Conversion Shares and, pending such registration with the SCRO, procure that such Conversion Shares are registered on an interim basis in the Bank's share register through registration in the share accounts maintained with the Share Registrar as soon as practicable following the relevant Conversion Date;
- (g) at all times keep available for issue, free from pre-emptive rights out of its authorised but unissued capital, sufficient authorised but unissued Class A Shares to enable Conversion of the Notes, and all rights of subscription and exchange for Class A Shares, to be satisfied in full; and
- (h) where the provisions of Condition 5A require or provide for a determination by an Independent Financial Adviser or a role to be performed by a Settlement Shares Depository and/or a Settlement Shares Offer Agent, the Bank shall use all reasonable endeavours promptly to appoint such person for such purpose.

#### **6. No Events of Default and Holders may Claim in Bankruptcy or Liquidation only**

If the Bank is 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 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, for payment in respect of the outstanding principal amount of such Note together with interest accrued to (but excluding) the date of commencement of the relevant bankruptcy (*konkurs*) or liquidation (*likvidation*) proceedings to the extent not cancelled 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 and subject further as provided in Condition 3.01(b).

#### **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, in the case of any amount payable in respect of interest (but not principal or otherwise) the Bank will (to the extent such payment can be made out of Distributable Items on the same basis as for payment of any amount in respect of interest in accordance with Condition 4) pay such additional amounts as may be necessary in order that the net amounts receivable by the Holders in respect of such interest after such withholding or deduction shall equal the respective amounts in respect of such interest 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 or Coupon:

- (i) the Holder of which is liable to such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of such Note or Coupon; or
- (ii) presented for payment (where presentation is required) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days.

Notwithstanding any other provision of these Terms and Conditions, in no event will the Bank be required to pay any additional amounts in respect of the Notes, Receipts and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

**7.02** For the purposes of these Terms and Conditions, the **Relevant Date** means the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the Notes in accordance with Condition 13.

**7.03** Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include any additional amounts which may be payable with respect to such amounts under this Condition 7.

## **8. Payments**

### **8A. Payment**

**8A.01** Subject as provided below payments will be made by credit or transfer to a U.S. dollar account maintained by the payee with, or, at the option of the payee, by a cheque in U.S. dollars drawn on, a bank in New York City.

**8A.02** Payments of principal in respect of the Notes will (subject as provided below) be made in the manner provided in Condition 8A.01 only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Notes, and payments of interest in respect of the 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 and Conversion 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)).

Notes should be presented for payment together with all 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 Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing 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 10 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 Note becoming due and repayable, all Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

If the due date for redemption of any 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 Note.

**8A.03** Notwithstanding the foregoing provisions of this Condition 8, if any amount of principal and/ or interest in respect of 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 and Conversion Agent in the United States if:

- (i) the Bank has appointed Paying and Conversion Agents with specified offices outside the United States with the reasonable expectation that such Paying and Conversion 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 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 — General Provisions**

**8B.01** 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.

**8B.02** If the date for payment of any amount in respect of any Note 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 the relevant place of presentation; and
- (ii) 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 New York City.

## **9. Prescription**

**9.01** The Notes 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** 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 9 or Condition 8A.02 or any Talon which would be void pursuant to Condition 8A.02.

## **10. The Paying and Conversion Agents**

The initial Paying and Conversion Agents and their respective initial specified offices are specified below. The Bank reserves the right at any time to vary or terminate the appointment of any Paying and Conversion Agent (including the Fiscal Agent) and to appoint additional or other Paying and Conversion Agents provided that it will at all times maintain (i) a Fiscal Agent and (ii) so long as any Notes are listed on any stock exchange, a Paying and Conversion 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 and Conversion Agents 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 and Conversion Agents will be notified promptly to the Holders.

In addition, the Bank shall forthwith appoint a Paying and Conversion Agent having a specified office in New York City in the circumstances described in Condition 8A.03. Notice of any variation, termination, appointment or change in Paying and Conversion Agents will be given to the Noteholders promptly by the Bank in accordance with Condition 13.

In acting under the Fiscal Agency Agreement, the Paying and Conversion Agents act solely as agents of the Bank and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Fiscal Agency Agreement contains provisions permitting any entity into which any Paying and Conversion 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, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, 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 may require. Mutilated or defaced Notes, 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 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 or Couponholders, to:

- (i) any modification of the Notes, 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 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 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 Notes*

**13.01** Notices to Holders of 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 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).

*To the Bank*

**13.02** 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: SEB Group Treasury” (or at such other address and for such other attention as may have been notified to the Holders of the Notes in accordance with this Condition 13) and will be deemed to have been validly given at the opening of business on the next day on which the Bank’s principal office is open for business.

## **14. Further Issues**

The Bank may from time to time without the consent of the Holders create and issue further notes, bonds or debentures having the same terms and conditions as the Notes in all respects (or in all respects except for the amount and date of the first payment of interest on them) 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 and Conversion 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 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 Condition 3, the conversion (if any) of the Notes into Conversion Shares and any Compulsory Acquisition Proceedings, which are 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 3 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 but with the exception of any Compulsory Acquisition Proceedings, which shall be determined in accordance with Chapter 22 of the Swedish Companies Act) 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.

**16.03** Notwithstanding any other term of the Notes or any other agreements, arrangements, or understandings between the Bank and any Noteholder, by its acquisition of the Notes, each Noteholder (which, for the purposes of this Condition 16.03, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the exercise and effect of the exercise of any Bail-in and Loss Absorption Power by the Resolution Authority with respect to the Notes, which may be imposed with or without any prior notice and include and result in any of the following, or some combination thereof:
  - (i) the reduction or cancellation of all, or a portion, of the Amounts Due;
  - (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Bank or another person (and the issue to or conferral on the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
  - (iii) the cancellation of the Notes; and
  - (iv) the amendment or alteration of the provisions of the Notes by which the Notes have no final maturity or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of the terms of the Notes, as deemed necessary by the Resolution Authority, to give effect to the exercise of any Swedish Bail-in and Loss Absorption Power by the Resolution Authority.

By its acquisition of the Notes, each Noteholder (including, for these purposes, each holder of a beneficial interest in the Notes): (a) acknowledges, accepts, consents and agrees to be bound by the exercise of any Bail-in and Loss Absorption Power as it may be exercised without any prior notice by the Resolution Authority of its decision to exercise such power with respect to such Notes and (b) shall be deemed to have authorised, directed and requested Euroclear Bank SA/NV (**Euroclear**), Clearstream Banking, S.A. (**Clearstream, Luxembourg**), any accountholder in Euroclear or Clearstream, Luxembourg or other intermediary through which it holds such Notes to take any and all necessary action, if required, to implement the exercise of any Bail-in and Loss Absorption Power with respect to such Notes as it may be exercised, without any further action or direction on the part of such Noteholder or any Paying and Conversion Agent.

**16.04** Upon the exercise of any Bail-in and Loss Absorption Power by the Resolution Authority with respect to the Notes, the Bank shall give notice to Noteholders in accordance with Condition 13 as soon as practicable regarding such exercise of the Bail-in and Loss Absorption Power for the purpose of notifying Noteholders of such occurrence. The Bank will also deliver a copy of such notice to the Paying and Conversion Agents for information purposes.

**16.05** Neither a reduction or cancellation, in part or in full, of the principal or any other redemption amount of, or any interest on, the Notes or any other outstanding amounts due under or in respect of the Notes, the conversion thereof into another security or obligation of the Bank or another person, as a result of the exercise of any Bail-in and Loss Absorption Power by the Resolution Authority with respect to the Bank, nor the exercise of any Bail-in

and Loss Absorption Power by the Resolution Authority with respect to the Notes will constitute an event of default or the occurrence of any event related to the insolvency of the Bank or entitle Holders to take any action to cause the Bank to be declared bankrupt (*konkurs*) or for the liquidation (*likvidation*), winding-up or dissolution of the Bank.

## 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.

## 18. Definitions

In these Terms and Conditions:

**Accounting Currency** means SEK or such other primary currency used in the presentation of the SEB Group's accounts from time to time;

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

**Additional Tier 1 Instruments** means any 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;

**Amounts Due** means the outstanding principal amount of the Notes, together with any accrued but unpaid interest, due on the Notes;

**Applicable Banking Regulations** means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy or resolution then in effect in Sweden including, without limitation to the generality of the foregoing, CRD V, the BRRD and those regulations, requirements, guidelines and policies relating to capital adequacy or resolution of the SFSA and the Resolution Authority, 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);

**Automatic Trigger Conversion** has the meaning given in Condition 5A.01;

**Automatic Trigger Conversion Notice** has the meaning given in Condition 5A.04;

**Automatic Trigger Conversion Notice Date** has the meaning given in Condition 5A.04;

**Automatic Trigger Conversion Settlement Notice** has the meaning given in Condition 5A.04;

**Bail-in and Loss Absorption Power** means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Sweden, relating to the transposition of the BRRD, including but not limited to the Swedish Banking and Financing Business Act (*Sw: Lagen (2004:297) om bank- och finansieringsrörelse*) and the Swedish Law on Resolution (*Sw: Lagen (2015:1016) om resolution*), as amended from time to time, and the instruments, rules and standards created thereunder;

**Bloomberg Screen** means the display page on the Bloomberg L.P. information service designated as the "H15T5Y" page or such other page as may replace it on that information service or any successor information service for the purpose of displaying "treasury constant maturities" as reported in H.15(519);

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

**Business Day** means 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 Stockholm, London and New York City or the relevant place of delivery, as applicable;

a **Capital Event** means the determination by the Bank after consultation with the SFSA that as a result of a change (or any pending change that the SFSA considers sufficiently certain) in Swedish law or Applicable Banking

Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date, the aggregate outstanding principal amount of the Notes is (or is likely to be) fully or partially excluded from inclusion in the Additional Tier 1 Capital of the Bank or the SEB Group;

**Cash Dividend** means (a) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of "Spin-Off" and (b) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of "Dividend", but a Dividend falling within paragraph (c) or (d) of the definition of "Dividend" shall be treated as being a Non-Cash Dividend;

**CET1 Capital** means, at any time, the common equity tier 1 capital of the Bank or the SEB Group, respectively, as calculated by the Bank in accordance with Chapter 2 (Common Equity Tier 1 capital) of Title I (Elements of own funds) of Part Two (Own Funds) of the CRR, and/or Applicable Banking Regulations at such time, including any applicable transitional, phasing in or similar provisions;

**CET1 ratio** means, at any time, with respect to the Bank or the SEB Group, as the case may be, the ratio (expressed as a percentage) of the aggregate amount (in the Accounting Currency) of the CET1 Capital of the Bank or the SEB Group, respectively, at such time divided by the Risk Exposure Amount of the Bank or the SEB Group, respectively, at such time, all as calculated by the Bank in accordance with Applicable Banking Regulations at such time;

**Class A Shares** means fully paid class A shares in the capital of the Bank, each of which confers on the holder one vote at general meetings of the Bank;

**CMT Rate** means the rate determined by the Fiscal Agent and expressed as a percentage equal to:

- (a) the yield for United States Treasury Securities at "constant maturity" for a designated maturity of five years, as published in the H.15(519) under the caption "treasury constant maturities (nominal)", as that yield is displayed on the Bloomberg Screen at the Relevant Time; or
- (b) if the yield referred to in paragraph (a) above is not published on the Bloomberg Screen by the Relevant Time, the yield for United States Treasury Securities at "constant maturity" for a designated maturity of five years as published in the H.15(519) under the caption "treasury constant maturities (nominal)" at the Relevant Time; or
- (c) if the yield referred to in paragraph (b) above is not published by the Relevant Time, the Reset Reference Bank Rate;

**Compulsory Acquisition Proceedings** means any proceedings for the compulsory acquisition of the Notes pursuant to Chapter 22 of the Swedish Companies Act;

**Conversion Date** has the meaning given in Condition 5A.01;

**Conversion Price** means, in respect of any Conversion Date, if the Class A Shares are:

- (a) then admitted to trading on a Relevant Stock Exchange, the higher of:
  - (i) the Current Market Price of a Class A Share, translated into U.S. dollars at the Prevailing Exchange Rate;
  - (ii) the Floor Price; and
  - (iii) the quota value (*kvotvärde*) of a Class A Share (being SEK 10 on the Issue Date), translated into U.S. dollars at the Prevailing Exchange Rate,in each case on the Conversion Date; or
- (b) not then admitted to trading on a Relevant Stock Exchange, the higher of (ii) and (iii) above;

**Conversion Shares** means the Class A Shares which are issued automatically upon an Automatic Trigger Conversion;

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

**CRD Directive** means Directive 2013/36/EU of the European Parliament and of the Council of 26th June, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms,



as implemented in Sweden and including as amended by Directive 2019/878/EU of the European Parliament and of the Council of 20th May, 2019, and as further amended or replaced;

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

**Current Market Price** means, in respect of a Class A Share at a particular date, the average of the daily Volume Weighted Average Price of a Class A Share on each of the 5 consecutive dealing days ending on the dealing day immediately preceding such date (the **Relevant Period**); provided that if at any time during the Relevant Period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex-any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), then:

- (a) if the Class A Shares to be issued and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Class A Shares shall have been based on a price cum-Dividend (or cum-any other entitlement) shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Class A Share as at the date of first public announcement relating to such Dividend or entitlement; or
- (b) if the Class A Shares to be issued and delivered do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Class A Shares shall have been based on a price ex-Dividend (or ex-any other entitlement) shall for the purposes of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Class A Share as at the date of first public announcement relating to such Dividend or entitlement,

and provided further that if on each of the dealing days in the Relevant Period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Class A Shares to be issued and delivered do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Class A Share as at the date of first public announcement relating to such Dividend or entitlement,

and provided further that, if the Volume Weighted Average Price of a Class A Share is not available on one or more of the dealing days in the Relevant Period (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in the Relevant Period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the Relevant Period the Current Market Price shall be determined in good faith by an Independent Financial Adviser;

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

**dealing day** means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Class A Shares, Securities, Spin-Off Securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time);

**Delivery Notice** means a notice in the form for the time being currently available from the specified office of any Paying and Conversion Agent, which contains the relevant account and related details for the delivery of any Class A Shares and all relevant certifications and/or representations as may be required by applicable law and regulations, and which are required to be delivered in connection with a Conversion of the Notes and the delivery of the Class A Shares;

**Distributable Items** has the meaning given in Condition 4B.02;

**Dividend** means any dividend or distribution to Shareholders in respect of the Class A Shares (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Class A Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

- (a) where:
  - (i) a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Class A Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend in question shall be treated as a Cash Dividend of an amount equal to the greater of (A) the Fair Market Value of such cash amount and (B) the Current Market Price of such Class A Shares as at the first date on which the Class A Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, as the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation or, as the case may be, the Fair Market Value of such other property or assets as at the date of the first public announcement of such Dividend or capitalisation or, in any such case, if later, the date on which the number of Class A Shares (or amount of such other property or assets, as the case may be) which may be issued and delivered is determined; or
  - (ii) there shall be any issue of Class A Shares by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Dividend in question shall be treated as a Cash Dividend of an amount equal to the Current Market Price of such Class A Shares as at the first date on which the Class A Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, as the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation or, in any such case, if later, the date on which the number of Class A Shares to be issued and delivered is determined;
- (b) any issue of Class A Shares falling within Conditions 5A.11(a) or 5A.11(b) shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Bank by or on behalf of the Bank or any member of the SEB Group shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Class A Shares by or on behalf of the Bank or any member of the SEB Group, the weighted average price per Class A Share (before expenses) on any one day (a **Specified Share Day**) in respect of such purchases or redemptions or buy backs (translated, if not in the Share Currency, into the Share Currency at the Prevailing Exchange Rate on such day) exceeds by more than 5 per cent. the average of the daily Volume Weighted Average Price of a Class A Share on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Class A Shares at some future date at a specified price or where a tender offer is made, on the five dealing days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Class A Share, a minimum price per Class A Share or a price range or a formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Share Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Class A Shares purchased, redeemed or bought back by the Bank or, as the case may be, any member of the SEB Group (translated where appropriate into the Share Currency as provided above) exceeds the product of (i) 105 per cent. of the daily Volume Weighted Average Price of a Class A Share determined as aforesaid and (ii) the number of Class A Shares so purchased, redeemed or bought back; and

- (d) if the Bank or any member of the SEB Group shall purchase, redeem or buy back any depositary or other receipts or certificates representing Class A Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser;

**Existing Shareholders** has the meaning given in the definition of “Newco Scheme”;

**Fair Market Value** means, with respect to any property on any date, the fair market value of that property as determined by an Independent Financial Adviser in good faith provided that (a) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend; (b) the Fair Market Value of any other cash amount shall be the amount of such cash; (c) where Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded on a stock exchange or securities market of adequate liquidity (as determined by an Independent Financial Adviser in good faith), the Fair Market Value (i) of such Securities or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (ii) of such options, warrants or other rights or assets shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights or assets, in the case of both (i) and (ii) above during the period of five dealing days on the relevant stock exchange or securities market commencing on such date (or, if later, the first such dealing day such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded; and (d) where Securities, Spin-Off Securities, options, warrants or other rights or assets are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights or assets shall be determined by an Independent Financial Adviser in good faith, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Class A Share, the dividend yield of a Class A Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights or assets, including as to the expiry date and exercise price (if any) thereof. Such amounts shall, in the case of (a) above, be translated into the Share Currency (if such Cash Dividend is declared or paid or payable in a currency other than the Share Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Share Currency; and in any other case, shall be translated into the Share Currency (if expressed in a currency other than the Share Currency) at the Prevailing Exchange Rate on that date. In addition, in the case of (a) and (b) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;

**First Reset Date** has the meaning given in Condition 4A.01(i);

**Floor Price** means U.S.\$8.40, subject to adjustment in accordance with Condition 5A.11;

**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);

**H.15(519)** means the weekly statistical release designated as H.15(519), or any successor publication, published by the board of governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or any successor site or publication;

**Independent Financial Adviser** means an independent financial institution of international repute appointed by the Bank at its own expense;

**Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date);

**Interim Conversion Settlement Date** means the date on which the relevant Interim Conversion Shares are to be delivered to the Settlement Shares Depository on any Automatic Trigger Conversion as specified in the Automatic Trigger Conversion Notice;

**Issue Date** means 5th November, 2019;

**Maximum Distributable Amount** means any maximum distributable amount required to be calculated in accordance with the Capital Buffers Act (*Sw: lag (2014:966) om kapitalbuffertar*) implementing Article 141 of the

CRD Directive, as the same may be amended or replaced, or any analogous restrictions arising from any requirement to meet any applicable buffers under Applicable Banking Regulations;

**Newco Scheme** means a scheme of arrangement or analogous proceeding (**Scheme of Arrangement**) which effects the interposition of a limited liability company (Newco) between the Shareholders of the Bank immediately prior to the Scheme of Arrangement (the Existing Shareholders) and the Bank, provided that

- (i) only ordinary shares of Newco or depositary or other receipts or certificates representing ordinary shares of Newco are issued to Existing Shareholders;
- (ii) immediately after completion of the Scheme of Arrangement the only shareholders of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares of Newco, are Existing Shareholders and the Voting Rights in respect of Newco are held by Existing Shareholders in the same proportions as their respective holdings of such Voting Rights immediately prior to the Scheme of Arrangement;
- (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only ordinary shareholder (or shareholders) of the Bank;
- (iv) all Subsidiaries of the Bank immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary) are Subsidiaries of the Bank (or of Newco) immediately after completion of the Scheme of Arrangement; and
- (v) immediately after completion of the Scheme of Arrangement, the Bank (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Bank immediately prior to the Scheme of Arrangement.

**Non-Cash Dividend** means any Dividend which is not a Cash Dividend, and shall include a Spin-Off;

**Notice Cut-Off Date** has the meaning given in Condition 5A.07(ii);

**Offer Settlement Date** has the meaning given in Condition 5A.08;

**Offer Settlement Period** has the meaning given in Condition 5A.08;

**Other Contingently Convertible Securities** means any similar securities or instruments to the Notes which securities or instruments are contingently convertible into Class A Shares other than at the option of the holders thereof;

a **person** includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, unincorporated association, limited liability company, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

**Prevailing Exchange Rate** means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (London time) on that date as appearing on or derived from the Reference Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (London time) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the Reference Page, the rate determined in such other manner as an Independent Financial Adviser in good faith shall prescribe;

**Qualifying Additional Tier 1 Securities** means notes, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Bank that:

- (a) have terms not materially less favourable to a Holder of the Notes, as reasonably determined by the Bank, than the terms of the Notes (unless any such less favourable terms are solely attributable to ensuring the effectiveness and enforceability of Condition 4B or Condition 16.03 (including the governing law of Condition 16.03)), provided that they shall (1) include a ranking at least equal to that of the Notes, (2) have the same Rate of Interest and Interest Payment Dates as those from time to time applying to the Notes, (3) have the same redemption rights as the Notes, (4) comply with the then current requirements of Applicable Banking Regulations in relation to Additional Tier 1 Capital, and (5) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation; and

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

**Reference Banks** means five banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars in New York City as selected by the Bank;

**Reference Page** means the relevant page on Bloomberg or such other information service provider that displays the relevant information;

**Registration Date** has the meaning given in Condition 5A.05;

**Relevant Stock Exchange** means Nasdaq Stockholm or if at the relevant time the Class A Shares are not at that time listed and admitted to trading on NASDAQ Stockholm, the principal stock exchange or securities market on which the Class A Shares are then listed, admitted to trading or quoted or accepted for dealing;

**Relevant Time** means at or around 4.30 p.m. (New York City time) on the Reset Determination Date;

**Representative Amount** means a principal amount of United States Treasury Securities that is representative of a single transaction in such United States Treasury Securities in the New York City market at the Relevant Time;

**Reset Date** means the First Reset Date and every fifth anniversary thereof;

**Reset Determination Date** means, in relation to each Reset Date, the second Business Day immediately preceding such Reset Date;

**Reset Margin** means 3.463 per cent. per annum;

**Reset Reference Bank Rate** means the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset United States Treasury Securities determined by the Fiscal Agent on the basis of the arithmetic mean of the Reset Reference Bank Rate Quotations provided by the Reference Banks to the Fiscal Agent at the Relevant Time. The Fiscal Agent will request the principal office of each of the Reference Banks to provide such quotations. If three or more quotations are so provided, the Reset Reference Bank Rate will be determined by the Fiscal Agent on the basis of the arithmetic mean of those quotations, eliminating the highest such quotation (or, in the event of equality, one of the highest) and the lowest such quotation (or, in the event of equality, one of the lowest). If only two quotations are so provided, the Reset Reference Bank Rate will be determined by the Fiscal Agent on the basis of the arithmetic mean of the quotations provided. If only one quotation is so provided, the Reset Reference Bank Rate will be determined by the Fiscal Agent on the basis of such quotation. If no quotations are provided, the Reset Reference Bank Rate will be the CMT Rate for the immediately preceding Reset Period or if none 1.662 per cent. per annum;

**Reset Reference Bank Rate Quotation** means the secondary market bid prices of the Reference Banks for Reset United States Treasury Securities at the Relevant Time;

**Reset United States Treasury Securities** means United States Treasury Securities with an original maturity equal to five years, a remaining term to maturity of no less than four years and in a Representative Amount. If two United States Treasury Securities have remaining terms to maturity equally close to five years, the Reset United States Treasury Securities will be the United States Treasury Security with the shorter remaining term to maturity;

**United States Treasury Securities** means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis;

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

**Risk Exposure Amount** means at any time, with respect to the Bank or the SEB Group, as the case may be, the total risk exposure amount (in the Accounting Currency) or equivalent of the Bank or the SEB Group, respectively, as calculated by the Bank in accordance with Applicable Banking Regulations at such time;

**Sale Cut-Off Date** has the meaning given in Condition 5A.07(iv);

**Scheme of Arrangement** has the meaning given in the definition of “Newco Scheme”;

**SCRO** means the Swedish Companies Registration Office (*Bolagsverket*) or such other person or authority that is responsible for registering any changes in the share capital of the Bank;

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

**Securities** means any securities including, without limitation, shares in the capital of the Bank, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Bank;

**Selling Agent** has the meaning given in Condition 5A.07(iv);

**Settlement Shares Depositary** means a reputable independent financial institution, trust company or similar entity to be appointed by the Bank on or prior to any date when a function ascribed to the Settlement Shares Depositary in these Conditions is required to be performed to perform such functions and who will hold Conversion Shares in a designated custody account for the benefit of the Noteholders and otherwise on terms consistent with these Conditions;

**Settlement Shares Offer** has the meaning given in Condition 5A.08;

**Settlement Shares Offer Expenses** has the meaning given in Condition 5A.08;

**Settlement Shares Offer Agent** has the meaning given in Condition 5A.08;

**Set-Off Rights** means any and all rights or claims of any Holder of a Note against the Bank for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note;

**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;

**Share Currency** means Swedish Kronor or, if at the relevant time or for the purposes of the relevant calculation or determination Nasdaq Stockholm is not the Relevant Stock Exchange, the currency in which the Class A Shares are quoted or dealt in on the Relevant Stock Exchange at such time;

**Share Registrar** means Euroclear Sweden AB or any other person appointed by the Bank to carry out the duties of registrar for the Class A Shares and any successor thereto;

**Shareholders** means the holders of Class A Shares;

**Specified Date** has the meanings given in Conditions 5A.11(d), 5A.11(f), 5A.11(g) and 5A.11(h), as applicable;

**Spin-Off** means:

- (i) a distribution of Spin-Off Securities by the Bank to Shareholders as a class; or
- (ii) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted by any entity) by any entity (other than the Bank) to Shareholders as a class or, in the case of or in connection with a Newco Scheme, Existing Shareholders as a class (but excluding the issue and allotment of ordinary shares (or depositary or other receipts or certificates representing such ordinary shares) by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with the Bank or any member of the SEB Group;

**Spin-Off Securities** means equity share capital of an entity other than the Bank or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Bank;

**Subsidiary** means in relation to any company at any particular time, any other company which is then a subsidiary (within the meaning of the Swedish Companies Act, as amended) of that company;

**Sweden** means the Kingdom of Sweden;

**Swedish Companies Act** means the Swedish Companies Act (Sw: *aktiebolagslagen* (2005:551));

**Swedish Kronor** or **SEK** means the currency of Sweden;

a **Tax Event** means if as a result of any change in, amendment to or clarification of any applicable law (including any change in, amendment to or clarification of the official position or interpretation of such law that differs from the theretofore generally accepted position or interpretation, irrespective of the manner in which such amendment,

clarification or change is made known), which change, amendment or clarification occurs after the Issue Date, the Bank determines that (a) it would on the occasion of the next payment in respect of the Notes, be required to pay additional amounts in accordance with Condition 7, or (b) to the extent (prior to the relevant change, amendment or clarification) the Issuer was entitled to claim a deduction in respect of the Notes in computing its taxation liabilities, it would not be entitled to claim a deduction in respect of its taxation liabilities in the Kingdom of Sweden in respect of any payment of interest to be made on the next Interest Payment Date or the value of such deduction to the Bank would be materially reduced;

**Tier 1 Capital** means at any time, with respect to the Bank or the SEB Group, as the case may be the Tier 1 capital of the Bank or the SEB Group, respectively, as calculated by the Bank in accordance with Chapters 1, 2 and 3 (Tier 1 capital, Common Equity Tier 1 capital and Additional Tier 1 capital) of Title II (Elements of own funds) of Part Two (Own Funds) of the CRR and/or Applicable Banking Regulations at such time, including any applicable transitional, phasing in or similar provisions;

**Trigger Event** means if, at any time, the CET1 ratio of the Bank or the SEB Group is less than 5.125 per cent., in the case of the Bank, or 8.00 per cent., in the case of the SEB Group, in each case as determined by the Bank or the SFSA (or any agent appointed by the SFSA for the purpose of making such determination);

**U.S.\$ and U.S. dollars** mean the lawful currency of the United States of America;

**Volume Weighted Average Price** means, in respect of a Class A Share, Security or, as the case may be, a Spin-Off Security on any dealing day, the order book volume-weighted average price of an Class A Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of an Class A Share) from the Reference Page or (in the case of a Security (other than Class A Shares) or Spin-Off Security) from the principal stock exchange or securities market on which such Securities or Spin-Off Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Class A Share, Security or a Spin-Off Security, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined or as an Independent Financial Adviser might otherwise determine in good faith to be appropriate; and

**Voting Rights** means the right generally to vote at a general meeting of Shareholders of the Bank (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

References to any issue or offer or grant to Shareholders or Existing Shareholders **as a class** or **by way of rights** shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Financial Adviser determines in good faith appropriate to reflect any consolidation or sub-division of the Class A Shares or any issue of Class A Shares by way of capitalisation of profits or reserves, or any like or similar event.

For the purposes of Conditions 5A and 5C only, (a) references to the **issue** of Conversion Shares, Class A Shares or Conversion Shares or Class A Shares being **issued** shall, if not otherwise expressly specified in these Conditions, include the transfer and/or delivery of Conversion Shares or Class A Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Bank or any member of the SEB Group, and (b) Class A Shares held by or on behalf of the Bank or any member of the SEB Group (and which, in the case of Conditions 5A.11(d) and 5A.11(f), do not rank for the relevant right or other entitlement) shall not be considered as or treated as **in issue** or **issued** or entitled to receive any Dividend, right or other entitlement.





## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES**

*The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together the **Global Notes**) which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.*

### **1. Accountholders**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held 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 Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal 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 as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Holders) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Bank solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

### **2. Payments**

On and after 16th December, 2019, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Global Note to the order of the Fiscal Agent or such other Paying and Conversion Agent as shall have been notified to the Holders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

### **3. Notices**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Holders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 13, provided that, so long as the Notes are listed on any stock exchange, notices shall also be published in accordance with the rules of such exchange. Any such notice shall be deemed to have been given to the Holders on the day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Holder are represented by a Global Note, notices to be given by such Holder may be given by such Holder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Fiscal Agent and the applicable clearing system may approve for this purpose.

### **4. Interest Calculation**

For so long as Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying the Rate of Interest to the principal sum for the time being outstanding of the Global Note and multiplying the sum by the Day Count Fraction. The resultant figure is rounded to the nearest cent (half a cent being rounded upwards).

## 5. Exchange and benefits

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if (each of the following being an Exchange Event):

- (a) an event as set out in Condition 6 has occurred and is continuing; or
- (b) 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 no successor clearing system is available; or
- (c) the Bank has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Bank will promptly give notice to Holders if an Exchange Event occurs. Thereupon, in the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Bank and the Fiscal Agent and, in the case of (c) above, the Bank may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes. Any exchange shall occur no later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent. Exchanges will be made upon presentation of the Permanent Global Note at the office of the Fiscal Agent on any day on which banks are open for general business in London. In exchange for the Permanent Global Note the Bank will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Bank will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

In the event that (a) the Global Note (or any part hereof) has become due and repayable in accordance with the Conditions and payment in full of the amount due has not been made to the bearer in accordance with the foregoing or (b) the Global Note has become exchangeable for definitive Notes and default is made by the Bank in the required delivery of such definitive Notes or (c) the Bank is 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, then, unless (in the case of (a) above) within the period of seven days commencing on the relevant due date payment in full of the amount due in respect of this Global Note is received by the bearer in accordance with the foregoing or (in the case of (b) above) by 6.00 p.m. (London time) on the thirtieth day after the day on which delivery of the definitive Notes were first due to be made, such delivery has not been made, then each Accountholder shall have from such seventh or thirtieth day (as the case may be) Direct Rights against the Bank on, and subject to, the terms of the Deed of Covenant executed by the Bank on 18th June, 2014 in respect of the Notes and the bearer will have no further rights under the Global Note to the extent such rights are exercised by way of any exercise of Direct Rights by an Accountholder (with the capitalised terms used in this paragraph that are defined in the Deed of Covenant to have the same meaning when used herein).

## 6. Prescription

Claims against the Bank in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7).

## 7. Cancellation

Cancellation of any Note represented by a Global Note and required by the Conditions to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

## **8. Euroclear and Clearstream, Luxembourg**

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

## **9. Delivery Notices**

Notwithstanding the provisions of Condition 5A, if the Notes are represented by the Global Note and held through Euroclear or Clearstream, Luxembourg, the Holder shall give a Delivery Notice to a Paying and Conversion Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg prior to the Notice Cut-off Date (which may include notice being given on its instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Settlement Shares Depositary by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time with the following details: (1) the name of the Holder; (2) the principal amount of Notes held by it; (3) the Euroclear Sweden AB account details; and (4) such other details as Euroclear or Clearstream, Luxembourg may require. Any reference in the Conditions to the delivery of Delivery Notices shall be construed accordingly.

## DESCRIPTION OF THE CLASS A SHARES

### *Form and denomination*

The Class A Shares are denominated in SEK and their quota value is SEK 10 per share as at the date of this Information Memorandum.

The Class A Shares are issued in electronic form and presently registered in the electronic securities system of Euroclear Sweden AB which also maintains the Bank's share register. No share certificates are issued with respect to the Class A Shares. The address of Euroclear Sweden AB is Box 191, SE-10123 Stockholm, Sweden.

The Class A Shares have been issued, and any new Class A Shares will be issued, in accordance with Swedish law. The rights associated with the Class A Shares that are set forth in the Articles of Association of the Bank, can only be changed in accordance with the procedures stipulated in the Swedish Companies Act (2005:551), the Swedish Banking and Financing Business Act (2004:297) and the Swedish Resolution Act (2015:1016). Furthermore, any amendments to the Bank's Articles of Association will be subject to the approval of the Swedish FSA.

### *Supervisory approval for certain acquisitions of Class A Shares*

Under Swedish law, direct or indirect acquisitions of Class A Shares, as well as shares of any other share class in the Bank, require approval from the Swedish FSA when resulting in a qualified holding. A holding is qualified if it amounts to 10 per cent. or more of the capital or of all the voting rights in the Bank or otherwise renders it possible to exercise a significant influence over the management of the Bank. Approval is also required each time a qualified holding increases so that it amounts to or exceeds 20, 30 or 50 per cent. of the capital or of all voting rights in the Bank or such that it causes the Bank to become a subsidiary pursuant to Swedish law. These rules apply to purchases as well as other methods of acquiring shares, for example conversion of the Notes into Class A Shares. If approval is granted by the Swedish FSA, the direct or indirect shareholder will have continuous obligations in respect of its holding, among others a requirement to notify the Swedish FSA about changes in its holding of shares and changes in its management. Also, the Swedish FSA may order the shareholder to sell all or part of its shares.

Non-compliance with such disclosure and/or approval requirements may lead to the incurrance by the Holder of substantial fines and/or suspension of voting rights associated with the shares it holds, including Class A Shares, and/or a refusal on the part of the SFSA to provide the relevant approval in respect of the acquisition of shares by the Holder, including the Class A Shares to be issued to the Holder on conversion of the Notes.

### *Reporting requirements at certain levels of shareholding*

As long as shares in the Bank are listed on a regulated market in the EEA anyone acquiring or disposing of shares, including the Class A Shares, or following any changes in holdings due to corporate actions by the Bank, must report its holding to the Bank and to the Swedish FSA each time the total number of shares or voting rights of that shareholder reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50, 66 2/3 or 90 per cent. This applies regardless of whether the shareholder has acquired the Class A Shares by way of a conversion of the Notes or if the change has occurred in any other way. When calculating the number of shares or voting rights the shareholder must include shares held by certain other related persons or entities as further detailed in Swedish legislation.

Non-compliance with such disclosure and/or approval requirements may lead to the incurrance by the Holder of substantial fines and/or suspension of voting rights associated with the shares, including the Class A Shares.

### *Mandatory bids*

A holder of less than 30 per cent. of the voting rights of the Bank (or someone holding no voting rights) who acquires Class A Shares (or shares of other classes) to such an extent that its total holding, including such holdings held by certain other related persons or entities as further detailed in Swedish legislation, amounts to at least 30 per cent. of the voting rights of the Bank is obliged pursuant to the Swedish Stock Market (Takeover Bids) Act (2006:451) (as amended or replaced from time to time) implementing Directive 2004/25/EC of the European

Parliament and of the Council to immediately publish the size of its holding (together with those of related parties) and, no later than four weeks thereafter, make a public offering for the remaining outstanding shares in the Bank.

#### *Right to attend general meetings of shareholders*

At general meetings of shareholders each Class A Share carries one vote. Each shareholder is entitled to participate in general meetings and vote for the full number of Class A Shares held by such shareholder. A shareholder is entitled to bring not more than two assistants and to be represented by proxy. on a general meeting of shareholders. A shareholder who wishes to attend a general meeting and vote for its Class A Shares must be registered in the share register of the Bank on the record date determined for such purpose. The notice convening the meeting includes instructions on how to give notice of attendance at the general meeting. Notices convening general meetings shall be made by public notice in Post och Inrikes Tidningar (the Swedish Official Gazette) and by way of the notice being made available on the Bank's web site. Information that the notice has been issued shall be made public in the Swedish daily newspapers Dagens Nyheter and Svenska Dagbladet at the time of the notice. Notice of a general meeting must not be made earlier than 6 weeks prior to the date of the meeting and no later than 3 or in some cases 4 weeks before the date of the meeting.

Resolutions of general meetings of shareholders can usually be made by a majority of more than 50 per cent. of the votes cast but in some cases higher majority requirements apply, in particular if the rights of shareholders will be affected.

At general meetings of the Bank and pursuant to the Swedish Companies Act, the Board of Directors and the CEO are under a duty to, upon request by any shareholder and where the Board of Directors believes that such may take place without material damage to the Bank, provide information regarding any circumstances which may affect the assessment of a matter on the agenda or of the Bank's financial situation (the latter normally only at the annual general meeting). Such duty to provide information also applies to the Bank's relation to other group companies, the consolidated accounts and such circumstances regarding subsidiaries as specified in the foregoing sentence.

#### *Right to receive dividends*

Any declaration of dividends under Swedish law must be adopted by the general meeting. Dividends may only be declared to the extent there are distributable funds in the Bank and to the extent that such declaration is prudent taking into consideration the demands, with respect to size of shareholders' equity, which are imposed by the nature, scope and risks associated with operations and the Bank's need to strengthen its balance sheet, liquidity and financial position. The shareholders may not, as a general rule, declare higher dividends than the Board of Directors has proposed or approved.

Shareholders owning in aggregate not less than a tenth of all outstanding shares have the right to demand payment of dividends from the profits of the Bank. Following such request, the annual general meeting shall resolve upon the distribution of one-half of the remaining profit for the year pursuant to the adopted balance sheet after certain deductions have been made. The general meeting is not, however, obliged to resolve upon dividends in excess of 5 per cent. of the Bank's shareholders' equity. Further, the general meeting may never declare dividends in excess of distributable funds nor in violation of the prudence rule described above.

Dividends are normally paid in cash but may also be paid in kind. Persons registered as owners of the Class A Shares in the share register on the record date established by the general meeting will be entitled to receive dividends.

Neither the Swedish Companies Act nor the Bank's Articles of Association contain any restrictions regarding the dividend rights of shareholders resident outside Sweden. Subject to any restrictions pursuant to the bank and clearing system, payment to such shareholders is executed in the same manner as for shareholders resident in Sweden. However, shareholders with a tax domicile outside Sweden are normally subject to Swedish withholding tax. See "*Taxation – Swedish Taxation*".

### *Preferential rights in case of new share issues*

In the event that the Bank resolves to issue new Class A Shares, whether in a cash issue or an issue where the new Class A Shares shall be paid for by way of set-off, all shareholders will typically have preferential rights to the new Class A Shares in relation to the number of Class A Shares held in the Bank. For details of circumstances in which there will be an adjustment to the Floor Price in connection with any Automatic Trigger Conversion, please see the “Terms and Conditions of the Notes”. For the avoidance of doubt, any new Class A Shares issued pursuant to the conversion of the Notes (in accordance with their terms) will not be subject to the preferential rights of the shareholders mentioned above although they will be subject to the Settlement Shares Offer (see Condition 5A).

### *Class A Share repurchases by the Bank*

Since the Class A Shares are listed on a regulated market, the Swedish Companies Act allows the Bank to repurchase Class A Shares in a total number not exceeding 10 per cent. of the outstanding shares, either by purchasing them on a regulated market or by way of a public offering. Any decision by the Bank to repurchase Class A Shares must be made by a general meeting of shareholders or by the board of directors following a mandate given by a general meeting of shareholders, in both cases requiring a majority of at least 2/3 of the votes cast as well as of the Class A Shares represented at the meeting.

### *Information to shareholders*

The Bank normally discloses information to its shareholders by publication of press releases and/or by making the information available on its website.

### *Compulsory acquisition proceedings*

Pursuant to the Swedish Companies Act, a shareholder that directly or indirectly holds more than 90 per cent. of the shares in the Bank is entitled to acquire the other shareholders’ Class A Shares and each minority shareholder is entitled to require such majority shareholder to acquire its Class A Shares. A majority shareholder that exercises such right to acquire the outstanding Class A Shares in the Bank is also entitled to acquire any convertibles (including the Notes) or warrants issued by the Bank. Each holder of such convertibles or warrants (including the Holders) is entitled to require the majority shareholder to acquire its convertibles (including the Notes) or warrants notwithstanding that the majority shareholder does not exercise its right to acquire the outstanding Class A Shares. If an agreement on the purchase price cannot be reached between the parties, the purchase price shall be determined through arbitration and generally be the price which could be expected in a sale under normal circumstances. A shareholder or a holder of a convertible or a warrant who does not participate in the arbitration will be represented by a trustee appointed by the Swedish Companies Registration Office.

### *Transfers of Class A Shares*

A transfer of Class A Shares must be registered in the electronic securities system of Euroclear Sweden AB to give the transferee shareholder rights in relation to the Bank. Transfers are usually made through one or more financial intermediaries such as banks, stockbrokers etc. who are connected to Euroclear Sweden AB and may register the transfer.

### *Trading and historic performance*

The Class A Shares are listed on Nasdaq Stockholm. The ticker name of the Class A Shares is "SEB A" and the ISIN code is SE0000148884. The total share trading volume of Nasdaq Stockholm during 2018 was SEK 4,488 billion and the average daily trading volume of Nasdaq Stockholm during 2018 was SEK 17,950 million. Prices are published on the website of Nasdaq Stockholm, and they are published within 15 minutes of a change occurring.

For information regarding the past performance of the Class A Shares and the dividend development, see the section entitled “*Share and shareholders*” set out on page 7 of the Q3 Fact Book which is incorporated by reference in this Information Memorandum.

Information about the past performance of the Class A Shares and their volatility can also be obtained from the website of Nasdaq Stockholm at [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com). Nasdaq Stockholm can trace its roots from the

foundation of the Stockholm stock exchange in 1863 and is the major stock exchange in Sweden with status as a regulated market as defined in the Markets in Financial Instruments Directive (Directive 2014/65/EU). It is supervised by the Swedish FSA.

## TAXATION

### SWEDISH TAXATION

*The following summary outlines certain Swedish tax consequences relating to holders of Notes and the Conversion Shares. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary does not address inter alia, tax consequences in connection with the rules regarding reporting obligations for, among others, payers of interest and dividend. Investors should consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties) of acquiring, owning and disposing of Notes or Conversion Shares in their particular circumstances.*

#### **Holders not tax resident in Sweden**

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to the holder of any Notes will not be subject to Swedish income tax, provided that such a holder (i) is not resident in Sweden for Swedish tax purposes and (ii) does not have a permanent establishment in Sweden to which the Notes are effectively connected.

Subject to what is set out below, a holder of a Note or a Conversion Share that is neither (i) resident in Sweden for tax purposes nor (ii) engaged in trade or business in Sweden through a permanent establishment to which the Notes or Conversion Shares are effectively connected will not be the subject of any Swedish income taxes in connection with the conversion of any Note into Conversion Shares or in connection with the disposal of any Note or Conversion Share.

However, broadly speaking, private individuals who have been residents of Sweden for tax purposes due to a habitual abode in Sweden or a stay in Sweden for six consecutive months at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption, are liable for capital gains taxation in Sweden upon disposal or redemption of Conversion Shares and upon a disposal or redemption of Notes if the Notes would be deemed securities taxed as shares (*Sw: delägarätter*). However, in principle, convertible bonds denominated in other currencies than SEK, such as the Notes, should not be deemed securities taxed as shares. In a number of cases, the applicability of this rule on taxation of individuals who have been residents of Sweden for tax purposes is limited by an applicable tax treaty.

Swedish withholding tax is not imposed on payments on the Notes to holders not tax resident in Sweden of any principal amount or any amount that is considered to be interest for Swedish tax purposes. A holder of a Conversion Share will be subject to Swedish withholding tax (*Sw: kupongskatt*) on any dividend payments and certain other distributions in relation to the Conversion Shares at a tax rate of 30 per cent (subject to any exemptions under Swedish law or exemptions or reduced tax rates under an applicable tax treaty).

#### **Holders tax resident in Sweden**

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (for example income that is considered to be interest or dividend for Swedish tax purposes and capital gains on Notes or Conversion Shares) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example investment companies and life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes or Conversion Shares realises a capital loss on the Notes or Conversion Shares and to any currency exchange gains or losses.

If amounts on the Notes or Conversion Shares that are deemed to be interest or dividend for Swedish tax purposes are paid by Euroclear Sweden or another legal entity domiciled in Sweden, including a Swedish branch or in certain cases a clearing institution within the EEA, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes at a rate of 30 per cent are normally withheld by the legal entity on such payments. Swedish preliminary taxes should normally also be withheld on



other returns on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

#### **Other taxes**

No inheritance tax, gift tax or net wealth tax is levied in Sweden.

#### **THE PROPOSED FINANCIAL TRANSACTIONS TAX**

On 14th February, 2013, the European Commission published a proposal (the **Commission's 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.

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 the date that is two years after the date on which final regulation defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are 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.

## SUBSCRIPTION AND SALE

The Joint Lead Managers have, pursuant to the Subscription Agreement, jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 100 per cent. of the principal amount of Notes, less the agreed commissions. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

### **The United States of America**

The Notes and any Conversion Shares to be delivered following the occurrence of a Trigger Event 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. Terms used in the preceding sentence have the meaning given to them by Regulation S under the Securities Act.

The Notes 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 Joint Lead Manager has agreed that, except as permitted by the Dealership Agreement dated 14th June, 2019 entered into in relation to the Programme (the **Dealership Agreement**, which expression shall include any further amendments or supplements thereto), it has not offered, sold or delivered and will not offer, sell or deliver the Notes, (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 Notes and completion of the distribution of such tranche (as certified to the Fiscal Agent or the Bank by such Joint Lead Manager in respect of the Notes purchased by or through it, and the Fiscal Agent or the Bank shall notify each Joint Lead Manager when all Joint Lead Managers 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 Joint Lead Managers, 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 Joint Lead Managers, 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, any offer or sale of Notes within the United States by any 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.

### **Prohibition of Sales to EEA Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA.

For the purposes of this provision:

- (1) the expression **retail investor** means a person who is one (or more) of the following:
  - (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (b) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID; and

- (2) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes

### **The United Kingdom**

Each Joint Lead Manager has represented, warranted and undertaken, to the Bank and each other Joint Lead Manager that:

- (1) *Financial Promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if it was not an authorised institution, apply to the Bank; and
- (2) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **Canada**

No prospectus in relation to the Notes has been filed with the securities regulatory authority in any province or territory of Canada. This Information Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Notes in Canada. Each Joint Lead Manager has acknowledged that the Notes have not been and will not be qualified for sale under the securities laws of Canada or any province or territory of Canada.

Each Joint Lead Manager has represented and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof other than in compliance with the applicable securities laws of Canada or any province or territory of Canada. Each Joint Lead Manager has represented and agreed that it will offer, sell or distribute such Notes only pursuant to an exemption from the requirement to file a prospectus in, and in compliance with or in accordance with exemptions from the registration requirements of, the province or territory of Canada in which such offer is made. Each Joint Lead Manager has also represented and agreed that it has not and will not distribute or deliver this Information Memorandum, or any other offering material in connection with any offering of the Notes in Canada other than in compliance with the applicable securities laws in Canada or any province or territory thereof.

### **Hong Kong**

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (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.

### **Singapore**

Each Joint Lead Manager has acknowledged that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, each Joint Lead Manager has represented and agreed it has

not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and it will not offer or sell any Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) of the SFA or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) pursuant to Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

### **General**

No action has been or will be taken in any country or jurisdiction by the Bank or the Joint Lead Managers that would permit a public offering of the 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 comes are required by the Bank and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Joint Lead Managers 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 Joint Lead Managers described in the preceding paragraph.

## GENERAL INFORMATION

- (1) The establishment of the Programme was authorised by a resolution of the Board of Directors of the Bank at a meeting held on 20th August, 1991. The Bank has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes, including a resolution of the Board of Directors of the Bank passed on 29th October, 2019.
- (2) Since 30th September, 2019, 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 Group, nor, since 31st December, 2018, has there been any material adverse change in the prospects of the Bank or the Group.
- (3) The consolidated and non-consolidated financial statements of the Bank for the years ended 31st December, 2018 and 31st December, 2017 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.
- (4) For the financial years ended 31st December, 2018 and 31st December, 2017 the Bank's Independent Auditors appointed by its shareholders at the relevant annual general meeting were PricewaterhouseCoopers AB. PricewaterhouseCoopers AB is associated with FAR SRS, the professional institute for authorised public accountants, approved public accountants and other highly qualified professionals in the accountancy sector in Sweden.
- (5) 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) during the 12 months preceding the date of this Information Memorandum that may have, or have had in such period, a significant effect on the financial position or profitability of the Bank or Group.
- (6) The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 207616966. The International Securities Identification Number (ISIN) of the Notes is XS2076169668. The CFI is DTZNF8 and the FISN is SKANDINAVISKA E/ZERO CPNEMTN 202505.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J F Kennedy, L-1855 Luxembourg.

Delivery of the Notes shall be made against delivery of the relevant securities for which the Notes are being exchanged and against payment.

The Notes are not intended to be held in a manner which would allow Eurosystem eligibility.

- (7) The Legal Entity Identifier (LEI) of the Bank is F3JS33DEI6XQ4ZBPTN86.
- (8) Each Note (other than the Temporary Global Note) and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (9) For as long as the Notes are admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection in physical form at the specified office of the Fiscal Agent and at the principal office of the Bank:
  - (a) the Articles of Association of the Bank, together with an English translation thereof;
  - (b) a copy of this Information Memorandum together with each document incorporated by reference in this Information Memorandum;
  - (c) the Fiscal Agency Agreement;

- (d) the Deed of Covenant; and
  - (e) 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, 2018 and 31st December, 2017 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 nine month period ended 30th September, 2019, and any interim unaudited consolidated financial statements (in English) published subsequently to the date hereof.
- (10) Certain of the Joint Lead Managers 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 Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes, 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 Joint Lead Managers 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 Joint Lead Managers 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 Joint Lead Managers 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. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers 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.

- (11) The language of this Information Memorandum is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Information Memorandum.

**REGISTERED AND PRINCIPAL OFFICE OF THE BANK**

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**For the years ended 2017 and 2018**

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**For 2019**

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