

This Prospectus was approved by the Swedish Financial Supervisory Authority on 13 February 2024. This Prospectus shall be valid for twelve (12) months after the date of its approval provided that this Prospectus is supplemented in accordance with article 23 of the Prospectus Regulation. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid.



LÄNSFÖRSÄKRINGAR BANK AB (PUBL)

**Prospectus regarding the admission to trading of SEK 1,350,000,000
Floating Rate Additional Tier 1 Capital Notes**

ISIN: SE0021020690

Joint bookrunners

Nordea

S|E|B

Swedbank 

IMPORTANT INFORMATION

In this prospectus, the “**Issuer**” means Länsförsäkringar Bank AB (publ), Swedish Corporate ID No. 516401-9878 and LEI code 549300C6TUMDXNOVXS82. The “**Bank Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”). “**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

The “**Joint Bookrunners**” means Nordea Bank Abp, Swedbank AB (publ) and Skandinaviska Enskilda Banken AB (publ). The “**Issuing Agent**” means Skandinaviska Enskilda Banken AB (publ). The “**Agent**” means Nordic Trustee & Agency AB (publ).

Words and expressions defined in the terms and conditions beginning on page 33 (the “**Terms and Conditions**”) have the same meanings when used in this prospectus (the “**Prospectus**”), unless expressly stated or otherwise follows from the context.

Notice to investors

The Issuer issued a total of 675 Additional Tier 1 Capital notes (the “**Notes**”) in the Total Nominal Amount of SEK 1,350,000,000 on or around 23 January 2024 (the “**Issue Date**”). This Prospectus has been prepared for the admission to trading of the Notes on Nasdaq Stockholm. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes. This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection herewith.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**Swedish FSA**”) pursuant to the provisions of Article 20 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”).

Solely for the purposes of the product governance requirements set forth in directive 2014/65/EU as amended (“**MIFID II**”), the target market assessment made by the Issuer for 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; (ii) the negative target market for the Notes is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile, and (iii) all channels for distribution of the debentures to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**Distributor**”) should take into consideration the Issuer’s target market assessment. However, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer’s target market assessment) and determining appropriate distribution channels.

The Notes are not intended to be, and should thus not be, offered, sold or otherwise made available to any retail investor in the European Economic Area (“**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 MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA 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.

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Prospectus may come are required to inform themselves about, and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction outside Sweden.

Each potential investor in the Notes must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should conduct their own investigation and analysis of the Issuer and the data set forth in this Prospectus and investors are urged to take steps to ensure that they understand the transaction and have made an independent assessment of the appropriateness of the transaction in light of their own objectives and circumstances before entering into any transaction (including the possible risks and benefits of entering into such transaction). Investors should also consider seeking advice from their own advisers in making this assessment.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements.

On the date of this Prospectus, the Notes are rated BBB- by Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”). The long-term/short-term senior unsecured ratings of the Issuer are A1 by Moody’s (“**Moody’s**”) and A by S&P. Each of 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 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 in accordance with the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

Forward-looking statements and market data

The Prospectus contains certain forward-looking statements that reflect the Issuer’s current views or expectations with respect to future events and financial and operational performance. The words “intend”, “estimate”, “expect”, “may”, “plan”, “anticipate” or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out therein.

Factors that could cause the Issuer’s and the Bank Group’s actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in “*Risk factors*”. The forward-looking statements included in this Prospectus apply only to the date of the Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Bank Group or persons acting on the Issuer’s behalf is subject to the reservations in or referred to in this section.

The Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which the Bank Group participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. In addition to the above, certain data in the Prospectus is also derived from estimates made by the Issuer.

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RISK FACTORS

The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Notes in order to make an informed investment decision. The risk factors set forth below are therefore limited to risks that are material and specific to the Issuer and the Bank Group and the Notes in the opinion of the Issuer in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.

In this section, material risk factors are illustrated and discussed, including economic and market risks, risks relating to the Issuer's operations and business, finance risks and legal and regulatory risks, as well as risks related to the Notes. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus. Prospective investors should also read the Terms and Conditions, all other information in the investor documents and other available information, and reach their own views prior to making any investment decision. Investors must, in addition, alone or together with financial and/or other advisers, consider the general business prospects, and general information about the relevant market and companies active on that market, based on their personal circumstances. An investor should possess sufficient knowledge to assess the risk factors and sufficient financial strength to bear those risks.

The risk factors are presented in categories where the most material risk factor in a category is presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.

RISKS RELATING TO THE ISSUER

Economic and market risks

Risks relating to the Swedish banking industry and the demand for the Issuer's products

Sweden has one of the most consolidated banking sectors in Europe. The Swedish banking market is dominated by a few large banks. The risks within the banking sector mainly consist of credit and market risks. Credit risk refers to the risk that a counterparty of the Issuer cannot meet its obligations and the risk that pledged assets will not cover the Issuer's claim against that counterparty. Market risk is defined as the risk that changes in interest rates, exchange rates and asset prices will lead to a decline in the value of the Issuer's net assets and liabilities. In the Issuer's opinion, the banking sector in Sweden is characterised by good credit quality compared to several other European countries, which has led to a history of low levels of credit losses for Swedish banks. The low credit risk profile reflects the dominance of retail business among Swedish banks. High cost efficiency and low risk profile are significant to the Swedish bank sector. In recent years, up until 2022, low interest rates, low inflation, higher real estate prices and increased disposable income for the households have led to a continued strong growth in demand for mortgage loans, especially in the residential mortgage sector. During 2022 (and continuing through 2023) both inflation and interest rates increased sharply causing an increase in the cost of living, and the housing market started to slow down. The degree to which a downturn or deterioration in macroeconomic conditions in Sweden may affect the Issuer is uncertain and presents a highly significant risk to the Issuer's ability to attract and maintain customers in order to generate revenue and profit.

Increased competition and lower margins are potential future challenges for the banks and in particular within the mortgage segment. The demand for the Issuer's products is also dependent on the customers' forecasts for the future, market rates and other factors that have an influence on the customers' financial situation. The degree to which increased competition in the financial services industry may affect the Issuer's margin is uncertain and presents a significant risk to the Issuer's revenue, margins and results of operations. Operating in a changing environment means that the Bank Group takes on risks related to its business model and strategy. Changing market conditions through economic downturns, increased competition, changes in business laws/regulations or other external factors may negatively affect the Bank Group's business model and may in turn lead to loss of current revenue streams or missed future revenue opportunities. The ability of the board of directors and CEO of the Issuer to plan, organise, follow up on and control the operations and to continuously monitor market conditions is important. Failure to do so may result in a material adverse effect on the Issuer's business, financial position and results of operations.

Risks relating to the Swedish residential mortgage market

The Swedish residential mortgage market is dominated by a few banks and one government-owned mortgage institution. Low interest rates, rising housing prices and strong increases in disposable household income have led to continued strong growth in demand for loans, especially in the residential mortgage market. One of the main risks related to the Swedish residential mortgage market is the credit risk associated with borrowers' creditworthiness, and their ability to make payments under the mortgage loan, and with the value of the mortgaged properties. The relatively low risk profile among Swedish mortgage institutions reflects a high degree of lending to single-family homes, moderate loan-to-value ratios, high lending standards and a relatively strong repayment incentive among borrowers. However, it should be noted that the debt-to-income ratio of borrowers continues to increase, and in addition, household debt in relation to gross domestic product (GDP) is relatively high in Sweden compared to other European countries. The housing market has been strong for many years, driven by low interest rates, strong household finances, low supply of new homes in growth regions and population growth. However, during 2022 (and continuing through 2023), high inflation and high interest rates have slowed down the housing market and house prices have declined. In relation to new homes, there has recently been a substantial increase in newly built multi-family dwellings which could reduce demand in that particular market segment for the foreseeable future, which could further have a negative impact on the housing market. House prices may be negatively affected by, for example, changes in regulations affecting the mortgage market directly or indirectly or by a quick rise in interest rates or unemployment levels. The Swedish Financial Supervisory Authority (*Finansinspektionen*) (the "**Swedish FSA**") has implemented regulations imposing more stringent amortisation requirements on residential mortgages. If the Swedish housing market were to decline further, and demand for new loans, as a consequence, were to significantly decrease, this would negatively affect the demand for the Issuer's offering of loans in the Swedish residential mortgage market, and could thereby adversely affect the Issuer's business, results of operations, margins and value of mortgage collateral.

Risks relating to disruptions in the global credit markets and economy

Financial markets are subject to periods of volatility and the economic climate in the region is exposed to political risk, which may impact the Issuer's ability to raise debt in a similar manner, and at a similar cost, to the funding raised in the past. Challenging market conditions may result in greater volatility and reduced liquidity, widening of credit spreads and lack of price transparency in credit markets, which may negatively affect the Issuer. These conditions and changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments may affect the financial performance of the Issuer. In addition, the financial performance of the Issuer could be adversely affected by a worsening of general economic conditions in the markets in which it operates.

Turbulence in the financial markets can have a negative impact on the Bank Group directly and indirectly. Disruptions can be more or less extensive, and it is difficult to assess the exact impact of the development, but it constitutes a risk to the Bank Group's long-term ability to maintain current margins, profitability and demand. A recent example is the collapse of the US bank Silicon Valley Bank, which caused major uncertainty in the global financial market, resulting in increased volatility and increased credit spread. As of the date of this Prospectus, it is uncertain how large the potential negative effects of the recent turmoil will be and for how long they may last.

One factor that has led to significant volatility and uncertainty in the financial markets and in the global economy is armed conflicts, terrorism and wars such as Russia's invasion of Ukraine and the current situation in Israel and the surrounding regions. Among other things, this has led to significantly increased geopolitical stress and uncertainty both in the European and global economy. The financial markets have become increasingly volatile with higher interest rates, a weakened Swedish krona and increased inflation since the conflicts has emerged, which could have a negative impact on the Bank Group. As of the date of this Prospectus, it is uncertain, and highly difficult, to predict exactly what impact or consequence this may have on the Bank Group and the Issuer's business, financial position and results of operations.

The possibility of an extended period of political uncertainty and financial market volatility as a result of such politically sensitive events or the spread of a contagious virus may also adversely affect the financial performance of the Issuer and its ability to raise debt in the international capital markets.

The degree to which disruptions in the global credit markets and economy may affect the Issuer is uncertain and presents a highly significant risk to the profitability and financial position of the Issuer.

Risks relating to Sweden

The government debt issues in Sweden are rated Aaa by Moody's and AAA by S&P. Relatively healthy public finances, a declining government debt and a competitive export sector, together with a well-educated labour force and a high standard of living, compared to some other European and non-European countries, are some of the credit strengths that are significant for Sweden. In relation to credit, the challenging factors are high tax rates and rigidities in labour and product markets. Although Sweden has an ageing population, the pension system reforms are considered to help insulate these costs from the rest of the government finances. The credit ratings of government debt indicate credit risks associated with Sweden and since the Issuer conducts all its business activities in Sweden, the general economic conditions and creditworthiness of Sweden may affect the Issuer and its financial result. A deterioration of such credit ratings may influence investors' willingness to invest in financial instruments issued by the Issuer, which in turn can have a negative impact on the operations and financial position of the Issuer.

Operational and business risks

Credit risks and counterparty risks

Credit risk is the risk of a potential financial loss arising from the failure of a counterparty to fulfil its financial obligations as they fall due (and such loss is not covered by any collateral (if any)). The Issuer's credit risk primarily arises from its lending activities. Furthermore, credit risk includes transfer risk, settlement risk and credit risk in financial instruments such as derivatives. The Issuer enters into agreements with counterparties for interest rate and currency swaps, which expose the Issuer to counterparty risks. Counterparty risk is the risk of a counterparty being unable to fulfil its commitments to the Issuer, which could lead to losses. Failure to control these risks can result in a material adverse effect on the Issuer's financial position. There are also credit risks related to the investments in liquid assets within the Issuer's liquidity reserve.

One of the core and main businesses of the Bank Group is residential mortgage lending to Swedish borrowers. The business risk principally pertains to credit risks the Bank Group's customers. The Bank Group's business shows relatively low credit risks and the Bank Group has historically showed low credit losses. This is largely due to the fact that the Bank Group primarily lends against security over Swedish residential real property (*fastigheter*), residential site leasehold rights (*tomträtter*) and residential tenant ownership rights (*bostadsrätter*). The volume of historical credit losses is however not any indication as to the volume of any future credit losses. As the principal part of the Bank Group's lending is made against security over real property, site leasehold rights and tenant ownership rights, the risks associated with the Bank Group's business are linked to the development of the Swedish real estate and housing market. During 2022 (and continuing through 2023), the Swedish real estate and housing market declined, albeit from high levels. The degree to which the decline will continue is uncertain and presents a significant risk to the profitability, financial position and results of operations of the Issuer. This could also negatively affect the value of the security granted for the Bank Group's lending which in turn presents a highly significant risk to the Issuer's loss levels.

Operating within the banking sector and offering financial products and services involves taking calculated risks. The intention is that the risks linked with these products and services are taken consciously and are reflected in, and covered by, the prices offered to the customers.

For the period from 1 January 2022 to 31 December 2022, the Issuer's credit loss amounted to SEK 123 million, net (compared to SEK -331 million, net for the same period in 2021), which corresponds to a credit loss level of 0.03 per cent. (compared to -0.09 per cent. for the same period in 2021). The main part of the loan loss provisions has been attributed to the Issuer's subsidiary, Wasa Kredit, albeit representing a limited part of the Bank Group's total lending. Although the Issuer has had low credit losses historically, the Issuer estimates that the credit risk and the counterparty risk are the most significant risks to which the business is exposed. If the above risks were to occur, the Issuer estimates that they will have a material adverse effect on the Issuer's earnings and financial position.

The degree to which the risks related to failed assessments of the credit risk and creditworthiness of loan applicants and customers may affect the Issuer is uncertain and presents a highly significant risk to the Issuer's loss levels and results of operations.

IT failure and cyber risks

Identification, management and control of operational risks is a clear and integrated part of the Issuer's business but deficiencies or errors in internal processes and control routines, human errors, incorrect systems or external events that affect operations may occur. This could result in a material adverse effect on the Issuer's financial position, business, the products and services it offers or its assets. The most significant operational risks for the Issuer are information technology (IT) risks.

The Bank Group depends on the success of its business continuity planning, the uninterrupted and efficient operation of its information and communications systems, including its IT (to manage critical business processes as well as administrative functions), monitoring and protective measures and the successful development and implementation of new systems. However, as is the case for IT systems generally, losses could result from inadequate or failed internal control processes and protection systems, human error, fraud or external events that interrupt normal business operations. This could result in a loss of data and a failure to provide quality service to customers, which in turn can cause direct financial loss and may compromise the Bank Group's strategic initiatives. Technology failure or underperformance could also increase the Bank Group's litigation and regulatory exposure or require it to incur higher administrative costs (including remediation costs). Further, an irrecoverable loss of any customer database would be expensive and time-consuming to endeavour to retrieve or recreate.

Länsförsäkringar AB (publ) ("**LFAB**") is providing the Bank Group with certain services related to intragroup IT and administration systems. Consequently, and in addition to the risk related to IT set out above, the Bank Group is dependent on LFAB in relation to (i) its general IT and data security infrastructure, (ii) its strategies for intellectual property rights and data security and (iii) its relations with certain suppliers. If LFAB were to fail in any of the above, or if its own systems would fail, it would have a major impact on the Issuer's ability to conduct its business and further have an adverse effect on the Issuer's financial result.

IT is developing rapidly and characterised by short product life cycles. There is a risk that the Issuer fails to foresee, manage or implement technical changes at all or fast enough, that there are too many development-related disturbances in daily operations and that the lifecycle management of other support systems are lagging behind, which may lead to additional costs. Accordingly, this accentuates the IT-related risks and thus further increase the negative outcomes. The degree to which IT failures may affect the Issuer is uncertain and presents a highly significant risk to the Issuer's operations.

Compliance risks

The banking and financing sector is heavily regulated and, as a group conducting banking and financing operations, the Bank Group is subject to regulations and regulatory supervision pursuant to numerous directives, laws, regulations and policies issued by, *inter alia*, the EU and Sweden. Legal or regulatory developments and/or changes in supervisory policies or evaluation methods could materially affect the Issuer's business, the products and services it offers or the value of its assets.

The management of business and regulatory and legal risks require, among other things, guidelines and policies for the accurate registration and control of a large number of transactions and events. However, there is a risk that such guidelines and policies are not always adequate and compliant with applicable regulations. Non-compliance with, as well as deficiencies in, guidelines and policies for risk management that leads to negative publicity or criticism and fines from the Swedish FSA or other regulators within the financial sector would thus have a material adverse effect on the Issuer's reputation. Furthermore, any non-compliance that leads to fines from the Swedish FSA or other regulators would require the Issuer to pay amounts (which may be significant) and take measures to ensure compliance. The degree to which alterations in the regulatory landscape in which the Issuer operates may affect the Issuer is uncertain and presents a highly significant risk to the Issuer's compliance costs.

As a lender to individuals, the Issuer processes large quantities of personal data relating to its customers. Such processing of personal data is subject to extensive regulation and scrutiny following the implementation of the general data protection regulation 2016/679/EU ("**GDPR**") that became applicable as of 25 May 2018. Efforts to continuously ensure compliance with the GDPR is time-consuming and costly. Any non-compliance with applicable data protection legislation, risks leading to substantial administrative fines and other actions which would have a material effect on the ability of the Issuer to conduct its business, such as a temporary or permanent ban on data processing. Any administrative or monetary sanctions (including administrative fines of up to the

greater of EUR 20 million or 4.0 per cent. of the total annual turnover) would adversely affect the Issuer's business, financial condition and results of operations. The degree to which non-compliance with applicable requirements may affect the Issuer is uncertain and presents a highly significant risk to the Issuer's operations and reputation.

Finance risks

Liquidity and financing risks

Liquidity risk is the risk of the Issuer, due to insufficient cash and cash equivalents, being unable to fulfil its commitments or only being able to fulfil its commitments by borrowing cash and cash equivalents at a significantly higher cost. Liquidity risk also refers to the risk of financial instruments that cannot immediately be converted to cash and cash equivalents without decreasing in value. Furthermore, if the Issuer's inability to meet its payment obligations when they fall due is not temporary, it could mean that the Issuer might be considered insolvent. Financing risk is the risk that the Issuer, in the event of financing maturity, does not successfully refinance the maturity or only succeeds in borrowing at substantially increased costs. The Bank Group's total lending exceeds the deposit volumes which leads to a dependence on capital markets to raise funding. The Issuer's lending is to a large extent made on longer terms than the Issuer's funding. Therefore, the Issuer is dependent on the ability to refinance borrowings upon their maturity.

Since the Issuer is not a listed company, it does not have direct access to the equity capital markets, and as a consequence, the Issuer is partly dependent upon its owner LFAB as a source for capital. If LFAB does not provide the Issuer with capital to the extent the Issuer needs it, this can have a negative impact on the Issuer's business. As LFAB is also not a listed company, it is in turn dependent on its owners, the 23 independent, local and customer-owned regional insurance companies in Sweden, as a source for capital.

The degree to which the liquidity and financing risks may affect the Issuer is uncertain and presents a highly significant risk to the Issuer's capacity to fulfil its payment obligations.

Intercreditor agreement and subordination of the Issuer's claims against LF Hypotek

The Issuer and Länsförsäkringar Hypotek AB (publ) ("**LF Hypotek**") have granted, and will grant additional, loans to certain borrowers which are secured by security granted to the Issuer and LF Hypotek jointly and/or on a first and second ranking basis with respect to existing and/or future obligations of the borrowers (the "**Joint Collateral**"). The Issuer and LF Hypotek have, in an intercreditor agreement, agreed that, unless otherwise agreed in a specific case in relation to a certain borrower, LF Hypotek's claims in respect of the Joint Collateral (and any income from the realisation thereof) shall rank senior to the Issuer's claims in respect thereof. If the proceeds following an enforcement of Joint Collateral are not sufficient to repay all amounts due under or in respect of the loans for which such Joint Collateral is granted there is a risk that the Issuer will only receive partial or no repayment of its loan to such borrower which in turn presents a significant risk to the Issuer's loss levels and results of operations.

Market risks

Market risk is the risk of loss or reduced future income due to market fluctuations. The Issuer's main market risks includes currency risk and interest rate risk. The Issuer currently lends in Swedish Kronor but may fund itself in foreign currencies. The currency risk arising in connection with the funding involves a risk of financial loss as a result of changes in exchange rates and which may have a negative impact on the financial results of the Issuer. In order to limit the currency risk, the Issuer uses derivative instruments and is therefore dependent on a liquid and well-functioning derivatives market. The interest rate risks in the Issuer's business arise when there is an imbalance in the interest rate structure between its assets and liabilities and corresponding off-balance-sheet items. The Issuer limits its exposure to interest rate fluctuations by the use of derivative instruments and by matching the interest rate and the maturity structure for its assets and liabilities. If the derivatives market becomes illiquid it could have a negative impact on the Issuer's currency risk since it would no longer be possible to dispose of the currency risk through the use of derivative agreements or it would be substantially more expensive. Depending on how illiquid the derivatives market would be, and how SEK would develop against other currencies the Issuer is funding itself in, the negative impact on the Issuer's earnings and financial position could be significant.

Legal and regulatory risks

Increased capital requirements and standards

The Issuer is subject to capital adequacy and liquidity regulations, which aim to put in place a comprehensive and risk-sensitive legal framework to ensure enhanced risk management among financial institutions. Regulations which have impacted the Issuer and are expected to continue to impact the Issuer include, among others, the Basel III framework, the EU Capital Requirements Directive 2013/36/EU (the “**CRD IV**”), as amended by Directive (EU) 2019/878 (“**CRD V**”) and the EU Capital Requirements Regulation (EU) No. 575/2013, as amended by Regulation (EU) 2019/876 (“**CRR II**”) (together, the “**CRR**”) and by Regulation (EU) 2020/873. CRR and CRD IV are supported by a set of binding technical standards developed by the European Banking Authority. The regulatory framework will continue to evolve and any resulting changes could have a material impact on the Issuer’s business.

The capital adequacy framework includes, *inter alia*, minimum capital requirements for the components in the capital base with the highest quality: common equity tier 1 (“**CET1**”), additional tier 1 capital and tier 2 capital. CRR II also introduces a binding leverage ratio requirement (i.e. a capital requirement independent from the riskiness of the exposures, as a backstop to risk-weighted capital requirements) for all institutions subject to the CRR. In addition to the minimum capital requirements, CRD IV provides for further capital buffer requirements that are required to be satisfied with CET1 capital. Certain buffers may be applicable to the Issuer as determined by the Swedish FSA. The countercyclical buffer rate is a capital requirement which varies over time and is to be used to support credit supply in adverse market conditions. On 29 September 2021, the Swedish FSA communicated that the countercyclical capital buffer for Sweden was to be increased from 0 per cent. to 1.0 per cent. on 29 September 2022, and to 2 per cent. with effect from 22 June 2023. Per 30 September 2023, the Issuer’s total CET1 requirement was 10.2 per cent. (which includes the requirement of a countercyclical capital buffer of 2 per cent.) compared to the actual outcome of 15 per cent. A breach of the combined buffer requirements is likely to result in restrictions on certain discretionary capital distributions by the Issuer, for example, dividends on CET1 and coupon payments on tier 1 capital instruments.

For the period 31 December 2018 to 30 December 2025, the Swedish FSA has changed the method for applying the risk-weight floor for Swedish mortgages. The change has increased the Issuer Pillar 1 Risk Exposure Amount (“**REA**”) significantly, but is not viewed to have any material effect on the total (Pillar 1 and Pillar 2) capital requirement in nominal terms. However, given the increase in REA, the actual capital ratios of the Issuer (expressed as a percentage of REA) have decreased. Consequently, the Issuer’s headroom to pay dividends on CET1 capital and make discretionary distributions has reduced compared to previous periods.

Furthermore, a degree of uncertainty prevails surrounding future capital requirements due to forthcoming regulatory changes in the near future. Among other actions and changes, on 20 November 2020, the Swedish FSA approved the regulatory amendments and changes in the application of capital requirements for Swedish banks in order to adapt to the EU banking package. This pertains primarily to the introduction of leverage ratio requirements, changes in the application of Pillar 2 requirements as well as the Swedish FSA’s position related to the implementation of Pillar 2 guidelines and the application of the capital buffers.

The conditions of the Issuer’s business as well as external conditions are constantly changing and the full set of capital adequacy rules applicable to Swedish financial institutions continues to evolve.

Serious or systematic deviations by the Issuer from the above regulations would most likely lead to the Swedish FSA determining that the Issuer’s business does not satisfy the statutory soundness requirement for credit institutions and thus result in the Swedish FSA imposing sanctions on the Issuer. Further, any increase in the capital and liquidity requirements could have a negative effect on the Issuer’s liquidity (should its revenue streams not cover continuous payment to be made under its issued capital), funding (should it not be able to raise funding on attractive terms, or at all), financial condition (should liquidity and funding be negatively affected) and results of operations (should its costs increase). The degree to which regulatory capital and liquidity requirements risks may affect the Issuer is uncertain and present highly significant risks to the Issuer’s funding and liquidity position.

The Bank Recovery and Resolution Directive

The Issuer is subject to EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) known as the Bank Recovery and Resolution Directive (“**BRRD**”) (which was amended by Directive (EU) 2019/879 (“**BRRD II**”) on 27 June 2019 and most of the new rules in BRRD II started to apply from mid-2021). The BRRD legislative package establishes a framework for the recovery and resolution of credit institutions and, *inter alia*, requires EU credit institutions to produce and maintain recovery plans setting out the arrangements that may be taken to restore the long-term viability of the institution in the event of a material deterioration of its financial position.

The BRRD contains a number of resolution tools and powers which may be applied by the resolution authority (in Sweden, the Swedish National Debt Office (*Riksgäldskontoret*)) upon certain conditions for resolution being fulfilled. These tools and powers may be used alone or in combination and include, *inter alia*, a general power to write-down all or a portion of the principal amount of, or interest on, certain other eligible liabilities, whether subordinated or unsubordinated, of the institution in resolution and/or to convert certain unsecured debt claims, into any other security, including CET1 instruments of the surviving entity, which equity could also be subject to any further application of the general bail-in tool. This means that most of such failing institution’s debt (including in the case of the Issuer, the Notes) could be subject to bail-in, except for certain classes of debt, such as certain deposits and secured liabilities.

Relevant claims for the purposes of the general bail-in tool would include the claims of the holders in respect of the Notes. Further, the BRRD provides for relevant authorities to have the further power, before any other resolution action is taken, to permanently write-down or convert into equity, relevant capital instruments such as the Notes at the point of non-viability. Ultimately, the authority may take control of a failing institution and, for example, transfer the institution to a private purchaser or to a publicly controlled entity pending a private sector arrangement. All these actions can be taken without any prior shareholder consent.

The powers set out in the BRRD will impact how institutions are managed as well as, in certain circumstances, the rights of creditors. Holders of eligible liabilities may be subject to write-down or conversion into equity on any application of the general bail-in tool and, in the case of subordinated liabilities (such as the Notes), non-viability loss absorption. In such circumstances, this may result in Noteholders losing some or all of their investment. The general bail-in tool can be used to recapitalise an institution that is failing or about to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring. The write-down and conversion power can be used either together with, or also, independently of, a resolution action. Other powers provided to resolution authorities under the BRRD in respect of debt instruments (which could include the Notes) include replacing or substituting the institution as obligor in respect of such debt instruments; modifying the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or discontinuing the listing and admission to trading of debt instruments.

The BRRD has been implemented in Swedish law mainly through the Act on Resolution (*lag (2015:1016) om resolution*) and the Act on Preventive State Aid to Credit Institutions (*lag (2015:1017) om förebyggande statligt stöd till kreditinstitut och om stabilitetsfonden*), but also through amendments to certain existing legislation. It is not possible to predict exactly how the powers and tools of the Swedish National Debt Office provided in the BRRD (as implemented into Swedish law) will affect the Issuer, the Bank Group or the Noteholders. However, the powers and tools given to the Swedish National Debt Office are numerous and the exercise of any of those powers or any suggestion of such exercise would, therefore, materially adversely affect the rights of Noteholders (should the Notes be written-down or converted to other securities as set out above), the price or value of the Notes (should the secondary market not trade the Notes at their nominal amount) and/or the ability of the Issuer to satisfy its obligations under the Notes (should the resolution authority take control over the Issuer in certain scenarios). The degree to which amendments to BRRD or application of BRRD may affect the Issuer is uncertain and presents a highly significant risk to the Issuer’s funding and compliance costs.

Minimum requirement for own funds and eligible liabilities under the BRRD

In order to, among other things, ensure the effectiveness of bail-in and other resolution tools, all in-scope institutions must have sufficient own funds and eligible liabilities available to absorb losses and contribute to recapitalisation if the bail-in tool were to be applied. Each institution must meet an individual minimum

requirement for own funds and eligible liabilities (“**MREL**”), calculated as a percentage of a risk-weighted and a non-risk-weighted requirement and set by the relevant resolution authorities (being the Swedish National Debt Office for Sweden) on a case-by-case basis.

The MREL requirement has been required to be met as from 1 January 2018. On 13 October 2021, the Swedish National Debt Office decided on a new MREL policy on how to implement MREL due to the amended rules in BRRD II. The phase of the new MREL requirements commenced on 1 January 2022, and was completed on 1 January 2024. MREL will be met with own funds, subordinated eligible liabilities and eligible liabilities. Further, given that the MREL requirements must be met by all EU credit institutions (not just those identified as being of a particular size or of systemic importance). The degree to which the price and value of such instruments may vary is uncertain and presents a highly significant risk to the Issuer’s revenue.

Anti-money laundering

The Bank Group’s business is subject to a regulatory framework which requires the Bank Group to take measures to counteract money laundering and terrorist financing within its operations. Criminal activity within the banking industry, in which the Bank Group operates, has been increasingly uncovered in recent years. This area, not least the issue of money laundering, received particularly intense media scrutiny in the last few years. There is a risk that the Bank Group’s procedures, internal control functions and guidelines to counteract money laundering and terrorist financing are not sufficient or adequate to ensure that the Bank Group complies with the regulatory framework. This may result from, for example, insufficient procedures, internal control functions or guidelines, or errors by employees, suppliers or counterparties. Failure to comply with the applicable rules and regulations could result in legal implications. If the Bank Group were to become subject to remarks or warnings and/or administrative fines imposed by the Swedish FSA, this presents a highly significant risk and potentially irreparable damage to the reputation of the Bank Group and, as a result, the Bank Group’s business, financial position and results of operations could be materially adversely affected.

Changes in tax legislation

The Bank Group’s business and transactions are conducted in accordance with the Bank Group’s interpretation of applicable laws, tax treaties, regulations, case law and requirements of the tax authorities. However, there can be no assurance that the Bank Group’s interpretation of applicable laws, tax treaties, regulations, case law or other rules or administrative practice is correct, or that such rules or practice will not change, possibly with retroactive effect.

It is currently not possible to predict if or when new proposals for changes to tax legislation will be presented or what they will look like. It should be noted that new legislation introducing a new bank levy, also known as risk tax entered, into force on 1 January 2022. The new legislation applies to Swedish credit institutions and Swedish branches of foreign credit institutions with liabilities in excess of SEK 150 billion (pursuant to the 2022 threshold). In general, the tax is based on each credit institution’s opening balance of liabilities and the tax is 0.05 per cent. of the taxable basis (0.06 per cent. for tax years starting after 31 December 2022). Since the Issuer is subject to the new bank levy, the Issuer’s tax expenses have increased, which may have a negative impact on its financial position.

Risks relating to changes in accounting standards

From time to time, the International Accounting Standards Board (the “**IASB**”), the EU and other regulatory bodies change the financial accounting and reporting standards that govern the preparation of the Issuer’s financial statements. These changes can be difficult to predict and can materially impact how the Issuer records and reports its results of operations and financial condition.

In July 2014, the IASB issued a new accounting standard, International Financial Reporting Standard 9 (Financial Instruments) (“**IFRS 9**”), which replaces IAS 39 and IAS 32 and became effective from 1 January 2018. IFRS 9 provides principles for classification of financial instruments and provisioning for expected credit losses which are mandatory, and was therefore fully implemented by the Issuer, as of 1 January 2018. Furthermore, IFRS 9 provides a new general hedge accounting model that is not yet mandatory which is why it is currently not possible to determine the extent of the impact that the implementation of the hedge accounting model will have on CET 1 capital as the new rules for the transition and its impact on capital ratios are not yet final. As a consequence of the

new general hedge accounting model under IFRS 9, and the uncertainty regarding its implementation, the Issuer may need to obtain additional capital in the future, and may not be able to obtain new equity capital or debt financing qualifying as regulatory capital on attractive terms, or at all.

The degree to which changes in accounting standards may affect the Bank Group as a whole is uncertain and presents a highly significant risk to the Issuer's costs for regulatory capital and consequently to the Issuer's financial position.

Changes to the Swedish Deposit Insurance Scheme

The Swedish Deposit Insurance Scheme (“SDIS”) guarantees the depositors’ deposits in the event the Issuer is declared bankrupt or if the Swedish FSA determines that the SDIS should be activated in a given situation. The SDIS is administered by the Swedish National Debt Office. If activated, the insurance guarantees each customer compensation amounting to the value of the total funds in their account(s) with the Issuer, plus accrued interest, until the time of bankruptcy or the Swedish FSA’s activation decision. The maximum compensation is an amount of SEK 1,050,000, with some exceptions. The maximum compensation in SEK is converted from EUR 100,000 every five years in accordance with the Swedish Deposit Insurance Regulation (*förordning (2011:834) om insättningsgaranti*). Hence, changes in the exchange rate may have a negative impact on the maximum compensation amount. There is also a risk that regulatory changes which decrease the maximum compensation amount or change the SDIS, are implemented, which could have a negative effect on the amount of customer savings deposit currently held with the Issuer.

RISKS RELATING TO THE NOTES

Structural risks relating to the Notes

The Issuer’s obligations under the Notes are deeply subordinated

The Notes are intended to constitute unsecured, deeply subordinated obligations of the Issuer. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the Noteholders to payments on or in respect of (including any damages awarded for breach of any obligations under) the Notes (which in the case of any payment of principal shall be to payment of the then Nominal Amount only) shall at all times rank junior to any present and future claims of (i) depositors of the Issuer, (ii) any other unsubordinated creditors of the Issuer, (iii) any senior non-preferred creditors falling within the scope of the first paragraph of Section 18 of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*), and (iv) any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital.

In the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, there is a risk that the Issuer does not have enough assets remaining after payments to senior ranking creditors to pay amounts due under the Notes.

No Noteholder who is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes held by such Noteholder.

As a result of the above, there is a risk that the Noteholders will lose some or all of their investment in the Notes. Although the Notes may pay a higher rate of interest than comparable notes which are not subordinated or which are subordinated but not so deeply, there is a significant risk that a Noteholder will lose all or some of its investment in the event of a voluntary or involuntary liquidation or bankruptcy of the Issuer. Accordingly, in a worst-case scenario, the value of the Notes may be reduced to zero.

As noted in the risk factors “*The Bank Recovery and Resolution Directive*” above and “*Loss absorption at the point of non-viability of the Issuer*” below, there is a risk of the Notes being written down or converted into other securities in a resolution scenario or at the point of non-viability of the Issuer.

Interest payments on the Notes may be cancelled by the Issuer

Any payment of Interest in respect of the Notes shall be payable only out of the Issuer’s Distributable Items and (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and

notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations, or (ii) will be mandatorily cancelled if and to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

Any cancellation of Interest (in whole or in part thereof) shall in no way limit or restrict the Issuer 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 Issuer or in respect of any other Additional Tier 1 Capital instruments. In addition, the Issuer may without restriction use funds that could have been applied to make such cancelled payments to meet its other obligations as they become due.

In circumstances where the Capital Buffers Act (*lag (2014:966) om kapitalbuffertar*) implementing Article 141 of the CRD IV Directive (or, as the case may be, any other provision of Swedish law transposing or implementing such Article) applies, no payments will be made on the Notes (whether by way of principal, Interest, or otherwise) if and to the extent that such payment would cause the maximum distributable amount (if any), determined in accordance with the Capital Buffers Act (or, as the case may be, any other provision of Swedish law transposing or implementing such Article) then applicable to the Issuer to be exceeded.

As a result of the above, there is a risk that the payment of interest is cancelled. Following any cancellation of Interest as described above, the right of the Noteholders to receive accrued Interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such Interest or to pay interest thereon, whether or not payments of Interest in respect of subsequent Interest Periods are made, and such unpaid Interest will not be deemed to have “accrued” or been earned for any purpose. Furthermore, no cancellation of interest in accordance with the terms of the Notes shall constitute a default in payment or otherwise under the Notes or entitle Noteholders to take any action to cause the Issuer to be declared bankrupt or for the liquidation, winding-up or dissolution of the Issuer. Accordingly, in a worst-case scenario, the amount of any Interest may be reduced to zero.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes is likely to be more volatile than the market price of other debt securities on which interest accrues that are not subject to cancellation and also more sensitive generally to adverse changes in the Issuer’s financial condition.

Loss absorption following a Trigger Event

If at any time the CET1 Ratio has fallen below 5.125 per cent., in the case of the Issuer, or 7.00 per cent., in the case of the Issuer Consolidated Situation, this constitutes a Trigger Event and the Total Nominal Amount of the Notes shall be reduced (in whole or in part, and in each case as determined by the Issuer) by an amount sufficient to restore the CET1 Ratio of the Issuer and/or the Issuer Consolidated Situation to at least 5.125 per cent. or 7.00 per cent., as applicable (except that, for technical reasons, the Nominal Amount of each Note may not be reduced below SEK 1). Following any such reduction of the Total Nominal Amount, the Issuer may, at its discretion, reinstate in whole or in part the principal amount of the Notes, if certain conditions are met. The Issuer will not in any circumstances be obliged to reinstate in whole or in part the principal amount of the Notes (and any such reinstatement is likely to require approval at a shareholders’ meeting of the Issuer). The Issuer and/or the Swedish FSA may determine that a Trigger Event has occurred on more than one occasion and the then Nominal Amount of each Note may be reduced on more than one occasion. Further, during any period when the then Nominal Amount of a Note is less than the initial Nominal Amount, Interest will accrue on the then Nominal Amount of the Notes. Any reduction of the Notes is likely to result in a Noteholder losing some or all of its investment.

The Issuer’s and/or the Swedish FSA’s calculation of the CET1 Ratio of the Issuer, and therefore its determination of whether a Trigger Event has occurred, shall be binding on the Noteholders, who shall have no right to challenge the published figures detailing the CET1 Ratio of the Issuer.

Loss absorption at the point of non-viability of the Issuer

The Noteholders are subject to the risk that the Notes may be required to absorb losses as a result of statutory powers conferred on resolution and competent authorities in Sweden (the Swedish National Debt Office and the Swedish FSA). As noted above in the risk factor “*The Bank Recovery and Resolution Directive*”, the powers provided to resolution and competent authorities in the BRRD include write-down/conversion powers to ensure

that relevant capital instruments (such as the Notes) fully absorb losses at the point of non-viability of the issuing institution in order to allow it to continue as a going concern subject to appropriate restructuring and without entering resolution. As a result, the BRRD contemplates that resolution authorities have the power to require the permanent write-down of such capital instruments (which write-down may be in full) or the conversion of them into CET1 instruments at the point of non-viability and before any other bail-in or resolution tool can be used. Accordingly, in a worst-case scenario, the capital instruments may be written down and the value of the Notes may be reduced to zero.

There is a risk that the application of any non-viability loss absorption measure results in the Noteholders losing some or all of their investment. Any such conversion to equity or write-off of all or part of an investor's principal (including accrued but unpaid interest) shall not constitute an event of default and any affected Noteholder will have no further claims in respect of any amount so converted or written off. The exercise of any such power is inherently unpredictable and depends on a number of factors which are outside the Issuer's control. Any such exercise, or any suggestion that the Notes could be subject to such exercise, would, therefore, materially adversely affect the value of Notes.

The Notes have no maturity and call options are subject to the prior consent of the Swedish FSA

The Notes have no fixed final redemption date and the Noteholders have no rights to call for the redemption of the Notes. The Issuer has the option to, at its own discretion, redeem the Notes five years after they have been issued at any time within the Initial Call Period or any Interest Payment Date falling after the Initial Call Period but the Noteholders should not invest in the Notes with the expectation that such a call will be exercised by the Issuer.

If the Issuer considers it favourable to exercise such a call option, the Issuer must obtain the prior consent of the Swedish FSA. The Swedish FSA may agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There is therefore a risk that the Issuer will not exercise such a call or that the Swedish FSA will not permit such a call should the Issuer want. The Noteholders may be required to bear the financial risks of an investment in the Notes for an indefinite period of time and there can be no assurance that the Issuer will or may exercise the call option.

The Issuer may redeem the Notes on the occurrence of a Capital Event or Tax Event

The Issuer may in certain circumstances, at its option, but in each case subject to obtaining the prior consent of the Swedish FSA, redeem the respective Notes upon the occurrence of a Capital Event or Tax Event at par together with accrued Interest on any Interest Payment Date.

It should also be noted that the Issuer may redeem the Notes as described above even if (i) the Total Nominal Amount of the relevant Notes has been reduced by means of a write-down in accordance with the relevant Terms and Conditions, and (ii) the principal amount of the relevant Notes has not been fully reinstated to the initial Nominal Amount of the Notes.

There is a risk that the Noteholders will not be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

Substitution or variation of the Notes

Subject to Clause 12.4 (*Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) of the Terms and Conditions and the prior written consent of the Swedish FSA, the Issuer may, at its option and without the consent or approval of Noteholders, elect to substitute or vary the terms of all (but not some only) outstanding Notes on any Interest Payment Date for, so that they become or remain, as applicable, Qualifying Securities if a Capital Event or Tax Event occurs.

There is a risk that, due to the particular circumstances of each Noteholder, any Qualifying Securities will be less favourable to each Noteholder in all respects or that a particular Noteholder would not make the same determination as the Issuer as to whether the terms of the Qualifying Securities are not materially less favourable to Noteholders than the terms of the relevant Notes. The substitution or variation of the Notes may thus lead to changes in the Notes that have effects that are less favourable to the Noteholders. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such substitution or variation (including, without limitation,

with respect to any adverse tax consequence suffered by any Noteholder). The degree to which the Notes may be substituted or varied is uncertain and presents a highly significant risk to the return of the Notes.

The Terms and Conditions do not contain any right for the Noteholders or the Agent to accelerate the Notes

The Notes are intended to constitute Additional Tier 1 Capital of the Issuer. As such, the Terms and Conditions do not include any obligations or undertakings on the Issuer, the breach of which would entitle the Noteholders or the Agent to accelerate the Notes. Thus, there is a risk that the Noteholders will not receive any prepayment unless in the case of the Issuer being placed into bankruptcy or is subject to liquidation proceedings.

The Issuer is not (and nor is any other Group Company) prohibited from issuing further debt, which may rank pari passu with or senior to the Notes

The Notes are unsecured obligations and there is no restriction on the amount or type of debt that the Issuer or a Group Company may issue or incur that ranks senior to, or *pari passu* with the Notes. There is a risk that the incurrence of any such debt reduces the amount recoverable by Noteholders in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, limits the ability of the Issuer to meet its obligations in respect of the Notes and results in Noteholders losing all or some of their investment in the Notes. The degree to which other debt that ranks senior to, or *pari passu* with, the Notes may be issued is uncertain and presents a highly significant risk to the amount recoverable by Noteholders.

The Issuer is not (and nor is any other Group Company) prohibited from pledging assets for other debt

There is no restriction on the amount or type of assets that the Issuer or a Group Company can pledge, or otherwise use as security, for other debt. If the Issuer chooses to do so, there is risk that this reduces the amount recoverable by Noteholders in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer and result in Noteholders losing all or some of their investment in the Notes. The degree to which any other asset pledged may affect the Noteholders is uncertain and presents a highly significant risk to the amount recoverable by Noteholders.

Entities which are part of the Issuer Consolidated Situation but not part of Länsförsäkringar Bank

As follows from the risk factor “*Loss Absorption following a Trigger Event*” above, a Trigger Event may occur if the CET1 Ratio of the Issuer Consolidated Situation has fallen below 7.00 per cent. Since the Issuer Consolidated Situation includes entities that are not part of Länsförsäkringar Bank (and thus not under the control of the Issuer) (“**Consolidated Situation Entities**”), Noteholders must consider the fact that circumstances affecting the capital situation of Consolidated Situation Entities may negatively impact the Noteholders’ rights under the Notes and that the Notes may be written down due to circumstances solely related to Consolidated Situation Entities. The Consolidated Situation Entity LFAB is, through its Subsidiaries (in addition to the Issuer), exposed to, among other things, insurance risk, being the risk that the cost of future and outstanding insurance claims will be higher than anticipated due to inadequate pricing, risk concentration, incorrect assumptions or random fluctuations in the frequency and/or size of claims.

Other risks relating to the Notes

Noteholder representation and majority decisions by the Noteholders

Under the Terms and Conditions, the Agent represents each Noteholder in all matters relating to the Notes. The Terms and Conditions contain provisions to the effect that a Noteholder is prohibited from taking actions on its own against the Issuer. To enable the Agent to represent the Noteholders in court, the Noteholders can submit a written power of attorney for legal proceedings. The failure of all Noteholders to submit such a power of attorney can negatively impact the enforcement options available to the Agent on behalf of the Noteholders. Further, under the Terms and Conditions the Agent has the right in some cases to make decisions and take measures that bind all Noteholders without first obtaining the prior consent of the Noteholders.

Additionally, under the Terms and Conditions certain majorities of Noteholders have the right to make decisions and take measures that bind all Noteholders, including those who vote in a manner contrary to the majority. Therefore, the actions of the majority and the Agent in such matters impact the Noteholders’ rights under the Finance Documents in a manner that is possibly undesirable for some of the Noteholders. The degree to which any such decisions may affect the Noteholders is uncertain and presents a highly significant risk that the actions of the

majority and the Agent in such matters can impact the Noteholders' rights under the Finance Documents in a manner that can be undesirable for some of the Noteholders.

European Benchmarks Regulation

In order to ensure the reliability of reference rates (such as STIBOR), legislative action at EU level has been taken. Hence, the so-called Benchmark Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indexes used as reference values for financial instruments and financial agreements or for measuring investment fund results and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) were added and entered into force on 1 January 2018. The Benchmark Regulation regulates the provision of reference values, reporting of data bases for reference values and use of reference values within the EU. There are future risks that the benchmark regulation affects how certain reference rates are determined and how they are developed. This in conjunction with increased administrative requirements is likely to lead to a reduced number of entities involved in the determination of reference rates, which, in such case, would lead to a certain reference interest ceasing to be published.

The Terms and Conditions provide that the interest rate benchmark STIBOR, which applies for the Notes, can be replaced as set out therein, upon the occurrence of a Base Rate Event which includes if STIBOR ceases to be calculated or administered. Such replacement shall be made in good faith and in a commercially reasonable manner and is always subject to the Applicable Capital Regulations and the prior written consent of the Swedish FSA. However, there is a risk that such replacement is not made in an effective manner and consequently, if STIBOR ceases to be calculated or administered, a Noteholder would be adversely affected. The degree to which amendments to and application of the European Benchmarks Regulation may affect the Noteholders is uncertain and presents a highly significant risk to the return on the Noteholder's investment.

Credit ratings may not reflect all risks

The Notes are expected upon issuance to be rated BBB- by S&P. This rating may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended, reduced or withdrawn by the rating agency at any time. Any such revision, suspension, reduction or withdrawal could adversely affect the market value of the Notes. For the avoidance of doubt, the Issuer does not commit to ensure that any specific rating of the Notes will be upheld nor that any credit rating agency rating the Notes will remain the same.

In general, European regulated investors are restricted under Regulation (EU) No 462/2013 amending Regulation (EC) No 1060/2009 on credit rating agencies (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

DESCRIPTION OF THE NOTES

This section is only intended to serve as an introduction to the Notes. Any decision to invest in the Notes shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The complete terms and conditions of the Notes are found on pages 33-64 in this Prospectus.

The Notes

The Issuer has issued 675 Notes with a Nominal Amount of SEK 2,000,000 each. The Notes are denominated in Swedish kronor. The total aggregate nominal amount of the Notes is SEK 1,350,000,000.

ISIN and trading code

The Notes have been allocated the ISIN code SE0021020690. The Notes will also be allocated a trading code upon admission to trading. Such trading code has not been allocated at the date of this Prospectus.

Form of the Notes

The Notes are issued in dematerialised book-entry form and registered on a Securities Account on behalf of the relevant Noteholder. Hence, no physical notes will be issued. The Notes are registered in accordance with the Financial Instruments Accounts Act and registration requests relating to the Notes shall be directed to an Account Operator. The Notes are governed by Swedish law and are unilateral debt instruments intended for public trading as set out in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (*ensidig skuldförbindelse för allmän omsättning enligt 1 kap. 3 § lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

The Notes are freely transferable but the Noteholder may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

Status of the Notes

The Notes on issue are intended to constitute Additional Tier 1 Capital of the Issuer and the Issuer Consolidated Situation. The Notes will constitute direct, unsecured and subordinated liabilities of the Issuer and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (b) any other liabilities or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to the claims of holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to any present and future claims of (a) depositors of the Issuer, (b) any other unsubordinated creditors of the Issuer, (c) any senior non-preferred creditors falling within the scope of the first paragraph of Section 18 of the Swedish Rights of Priority Act (*förmånsrättslagen (1970:979)*), and (d) except as expressly stated in (ii) above, any subordinated creditors, including for the avoidance of doubt holders of notes which constitute Tier 2 Capital.

Issuance, repurchase and redemption

Issue Date and tenor

The Notes were issued on 23 January 2024. The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in Clause 12 (*Redemption and repurchase of the Notes*) of the Terms and Conditions. The Notes are not redeemable at the option of the Noteholders at any time and the Noteholders shall have no right to accelerate the Notes or other remedies or sanctions against the Issuer

for any breach of these Terms and Conditions by the Issuer, other than as set out in Clause 14 (*Bankruptcy or Liquidation*).

Purchase of Notes by the Issuer and related companies

Subject to applicable regulations and to Clause 12.5 (*Consent from the Swedish FSA*) of the Terms and Conditions, a Group Company, or other company forming part of the Issuer Consolidated Situation, may at any time on or following the First Call Date and at any price purchase Notes on the market or in any other way and at any price. Notes held by such company may at its discretion be retained, sold or cancelled.

Redemption at the option of the Issuer

Subject to consent from the Swedish FSA in accordance with the Terms and Conditions, all (but not some only) outstanding Notes can be redeemed at the option of the Issuer on (i) any Business Day falling within the Initial Call Period (ii) any Interest Payment Date falling after the Initial Call Period.

The Issuer can exercise its option by giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent in accordance with the Terms and Conditions. The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event

Subject to consent from the Swedish FSA in accordance with the Terms and Conditions, all (but not some only) outstanding Notes can be redeemed, substituted or varied at the option of the Issuer if a Capital Event or Tax Event occurs.

The Issuer can exercise its option by giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent in accordance with the Terms and Conditions. If the Notes shall be redeemed, they shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

Payments in respect of the Notes

Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

Interest and interest cancellation

Subject to Clause 10.2 (*Interest cancellation*) and Clause 11 (*Loss absorption and reinstatement*) of the Terms and Conditions each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date. Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:

- (a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; or
- (b) will be mandatorily cancelled if and to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

The Issuer can exercise its cancellation by giving notice to the Noteholders and the Agent in accordance with the Terms and Conditions, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above.

Trigger Events, loss absorption and reinstatement

A Trigger Event occurs if, at any time, the CET1 Ratio of the Issuer or the Issuer Consolidated Situation, as calculated in accordance with the Applicable Capital Regulations, is less than 5.125 per cent., in the case of the Issuer, or 7.00 per cent., in the case of the Issuer Consolidated Situation, in each case as determined by the Issuer

and/or the Swedish FSA (or any agent appointed for such purpose by the Swedish FSA). If at any time a Trigger Event occurs, the Issuer shall immediately notify the Swedish FSA, the Noteholders and the Agent in accordance with the Terms and Conditions and the Total Nominal Amount or the Issuer's payment obligation under the Notes shall be written down. A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) by the Noteholders and shall be made in consultation with the Swedish FSA and in accordance with the CSD Regulations. The amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would restore the CET1 Ratio of the Issuer to at least 5.125 per cent., and the CET1 Ratio of the Issuer Consolidated Situation to at least 7.00 per cent., in each case at the point of such write-down, provided that the maximum reduction of the Total Nominal Amount shall be down to a Nominal Amount per Note of SEK 1.00.

Following a write-down of the Total Nominal Amount, the Issuer may, at its absolute discretion, reinstate any portion of the principal of the Notes, subject to compliance with any maximum distribution limits set out in the Applicable Capital Regulations. Unless write up of the principal amount of the Notes is permitted and possible in accordance with the CSD Regulations, reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the CSD Regulations. For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Notes (if issued in full), being SEK 1,350,000,000. The Issuer will not in any circumstances be obliged to reinstate in whole or in part the principal amount of the Notes (and any such reinstatement is likely to require approval at a shareholders' meeting of the Issuer).

No right for the Noteholders or the Agent to accelerate the Notes

The Notes are intended to constitute Additional Tier 1 Capital of the Issuer. As such, the Terms and Conditions do not include any obligations or undertakings on the Issuer which if breached would entitle the Noteholders or the Agent to accelerate the Notes.

Bankruptcy and liquidation

Notwithstanding anything to the contrary in the Terms and Conditions, only if the Issuer is declared bankrupt or put into liquidation, a Noteholder may prove or claim in such bankruptcy or liquidation for payment of the Nominal Amount of the Notes held by such Noteholder, together with Interest accrued up until (but excluding) the date of commencement of the relevant bankruptcy or liquidation proceedings to the extent such Interest has not been cancelled by the Issuer.

European Benchmarks Regulation

The Interest payable under the Notes is calculated by reference to the benchmark STIBOR, as defined in the Terms and Conditions. This benchmark is provided by the Swedish Financial Benchmarks Facility AB. At the date of this Prospectus, the Swedish Financial Benchmarks AB appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation.

Admission to trading of the Notes

The Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date, and that it remains listed or, if such admission to trading is not possible to obtain or maintain, listed on another Regulated Market.

The Issuer shall, following the admission to trading, use reasonable efforts to maintain the admission to trading as long as any Notes are outstanding, however not longer than up to and including the last day of which the admission to trading can reasonably, pursuant to the applicable regulations of the Regulated Market and the CSD Regulation, subsist.

It is estimated that the Issuer's costs in conjunction with the admission to trading will be no higher than SEK 150,000.

Decisions by Noteholders

A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

Only a Noteholder or a person who is, or who has been provided with a power of attorney or other authorisation in accordance with the Terms and Conditions from a Noteholder:

- (a) on the Record Date specified in the notice pursuant to Clause 16.2.2(c) of the Terms and Conditions, in respect of a Noteholders' Meeting, or
- (b) on the Record Date specified in the communication pursuant to Clause 16.3.2(a) of the Terms and Conditions, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount. Each whole Note entitles to one vote and any fraction of a Note voted for by a person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Noteholders.

Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to above in item (a) or (b), as the case may be, and shall also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

No direct action by Noteholders

Subject to certain exemptions set out in the Terms and Conditions, a Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.

Time-bar

The right to receive repayment of the principal of the Notes shall be time-barred and become void ten (10) years from the Redemption Date. Subject to Clauses 10 (*Interest and interest cancellation*) and 23 (*Time-bar*) of the Terms and Conditions, the right to receive payment of interest (excluding any capitalised interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been time-barred and has become void.

Governing law

The Terms and Conditions of the Notes and any non-contractual obligations arising out of or in connection therewith shall be governed by and construed in accordance with the laws of Sweden. The Issuer submits to the non-exclusive jurisdiction of the District Court of Stockholm (*Stockholms tingsrätt*).

The CSD

Euroclear Sweden AB, Swedish Corporate ID No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden, is initially acting as Central Securities Depository (CSD) and registrar in respect of the Notes.

The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the

Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

The Agent and the Agency Agreement

Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, has been appointed as Agent on behalf of the Noteholders in accordance with the Terms and Conditions. The Agency Agreement is available to the Noteholders at the office of the Agent during normal business hours. Pursuant to the Agency Agreement that was entered into before the Issue Date between the Issuer and the Agent, the Agent has undertaken to represent the Noteholders subject to and in accordance with the Terms and Conditions and any other relevant Finance Documents. The Issuer has undertaken to, among other things, pay certain fees to the Agent.

The Issuing Agent

Skandinaviska Enskilda Banken AB (publ), Reg. No.502032-9081, has been appointed as Issuing Agent in accordance with the Terms and Conditions of the Notes.

Rating

The Notes are expected upon issuance to be rated BBB- by S&P. S&P is established in the European Union and is registered under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

The following table sets out the possible long-term ratings assigned by S&P.

Long-term rating

AAA	BBB	CCC+
AA+	BBB-	CCC
AA	BB+	CCC-
AA-	BB	CC
A+	BB-	C
A	B+	D
A-	B	CCC+
BBB+	B-	

Use of proceeds

The Issuer shall use the proceeds from the issue of the Notes for general corporate purposes of the Bank Group.

Restrictions on the transferability of the Notes

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. A holder of Notes may not offer or sell the Notes in the United States. The Issuer has not undertaken to register the Notes under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Notes in the future. Furthermore, the Issuer has not registered the Notes under any other country's securities laws. It is the Noteholder's obligation to ensure that the offers and sales of Notes comply with all applicable securities laws.

DESCRIPTION OF THE ISSUER

Overview

Länsförsäkringar Bank AB (publ) (the “**Issuer**”) is a public limited liability company incorporated in Sweden on 12 March 1996 for an unlimited duration under the Swedish Companies Act (*Aktiebolagslagen (2005:551)*). The Issuer is registered in the Swedish Companies Registration Office under corporate registration number 516401-9878 and has the LEI code 549300C6TUMDXNOVXS82. The Issuer operates as a limited liability company regulated as a banking company under the Banking and Financing Business Act (*lagen (2004: 297) om bank- och finansieringsrörelse*) and is subject to the supervision of the Swedish FSA. The Issuer’s website is www.lansforsakringar.se (the information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus) and telephone number is +46 8 588 400 00.

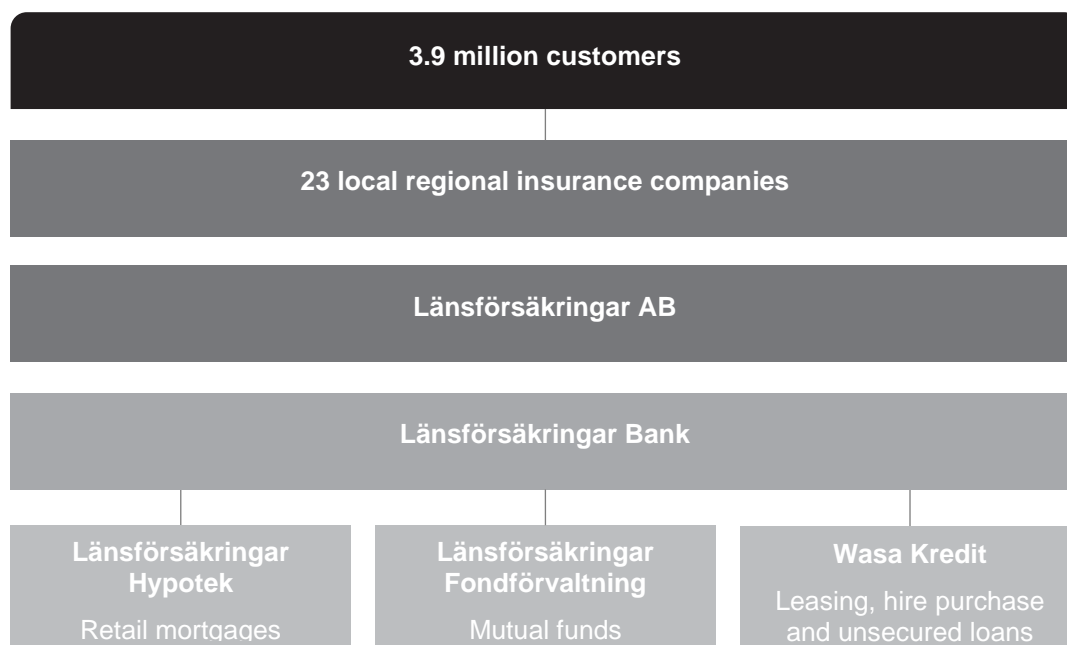
The Issuer has three wholly owned Subsidiaries: (i) Länsförsäkringar Hypotek AB (publ) (“**LF Hypotek**”), the Issuer’s mortgage institution; (ii) Wasa Kredit AB (“**Wasa Kredit**”), a finance company offering leasing, hire purchase and personal loans; and (iii) Länsförsäkringar Fondförvaltning AB (publ) (“**LF Fondförvaltning**”), which manages mutual funds. The Issuer Consolidated Situation, taken as a whole from time to time comprise the “**Bank Group**”.

The Issuer is wholly owned by Länsförsäkringar AB (publ) (Reg. No. 502010-9681) (“**LFAB**”). LFAB is principally owned by 23 independent, local and customer-owned regional insurance companies in Sweden (the “**Regional Insurance Companies**”) which, together with LFAB and its Subsidiaries, including the Bank Group, and Länsförsäkringar Fastighetsförmedling AB, comprise the Länsförsäkringar Alliance (the “**Alliance**”). Besides the protections awarded under the Swedish Companies Act and the Swedish Banking and Financing Business Act, the Issuer has adopted an internal policy framework and controls compliance with such internal policy framework and regulatory requirements on a continuous basis in order to mitigate the risk for abuse of power and conflict of interest risks.

The Issuer relies upon its parent, LFAB, for the injection of necessary capital. The Issuer’s capitalisation can be impacted by the conditions prevailing within the Alliance.

The consolidated situation comprises Länsförsäkringar Bank AB (publ), Länsförsäkringar Hypotek AB (publ), Wasa Kredit AB and Länsförsäkringar Fondförvaltning AB, the Bank Group, following the merger in the second quarter of 2021 between Länsförsäkringar AB (publ) and Länsförsäkringar Sak Försäkringsaktiebolag (publ).

The following diagram shows the structure of the Alliance, and the Bank Group within it as of the date of this Prospectus:



The Issuer is one of the larger retail banks in Sweden with approximately 1,261,000 customers (of which 612,800 have the Issuer as their primary bank) and a business volume (loans, deposits and funds) of SEK 820 billion as of 31 December 2022. In 2022, the business continued to grow the loans and deposits product segments, while in the funds product segment, the business volumes declined due to the decline in market values in the market, although a positive net inflow was recorded in this segment. According to the 2022 Swedish Quality Index customer satisfaction survey, the Issuer continues to have the highest customer satisfaction among the major players for retail bank customers.

The Bank Group offers a full range of banking services to its customers (mainly private individuals, farmers and small businesses). Sales, advisory services and customer services are carried out through the 115 branches of the Regional Insurance Companies and via the internet, mobile services and telephone. Certain administration of banking services is also carried out at the branches of the Regional Insurance Companies. The Regional Insurance Companies are reimbursed for sales, administration and services through a reimbursement system based on volumes managed.

Strategy

The Issuer's strategy, which has not been changed since 2000, is to provide the Alliance's Regional Insurance Companies' customers with a complete offering of banking services. Customer contact is mainly performed by the 115 branches of the Regional Insurance Companies. The real estate brokerage, Länsförsäkringar Fastighetsförmedling AB, also conducts some customer contacts at its 187¹ branches. The strategy for the Issuer's banking operations is primarily based on the existing infrastructure of the Alliance: a large customer base, a strong brand, local presence and the value basis and core values of the customer-owned Regional Insurance Companies.

History

The Issuer was founded in 1996 to further broaden the Alliance's offering. In 2000, the strategy of becoming a full-service retail bank was adopted and in 2001 the Issuer started retail mortgage lending operations through LF Hypotek.

Large customer base

The Alliance has a total of 3.9 million insurance customers and the main target groups for the Issuer are the 3.2 million retail customers, of whom 2.1 million are home-insurance customers. Other target groups are agricultural customers and small businesses.

Local customer-owned

The banking operations, which are conducted in Sweden only, have a local presence as the Regional Insurance Companies manage the majority of all contact with customers. The Regional Insurance Companies are mutual non-life insurance companies, and as such are owned by the policy holders of each company. The Regional Insurance Companies' involvement, network and local decision-making, provide a broad and in-depth local presence.

Customer-driven business model

The Issuer supports the Regional Insurance Companies in their advisory services and sales. Product development takes place in close cooperation between the Issuer and the Regional Insurance Companies. This cooperation features continuous efficiency enhancements to implement improvements that lead to better processes and advisory services, greater expertise and lower costs.

Objectives

The Issuer's objectives are as follows:

- achieve profitable growth;
- have the most satisfied customers; and
- increase the percentage of customers who combine their banking and insurance commitments.

¹ *Note to draft:* Latest figure to be inserted.

Regulatory framework

The Issuer is subject to a number of rules and regulations, amongst others the Companies Act (*Aktiebolagslagen 2005:551*), the Securities Markets Act (*Lag (2007:528) om värdepappersmarknaden*) and the Banking and Financing Business Act (*Lag (2004:297) om bank- och finansieringsrörelse*) which regulates, *inter alia*, the Issuer's lending activities. In addition, the Supervision of Credit and Investment Institutions Act (*Lag (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*), the Act on Capital Buffers (*Lag (2014:966) om kapitalbuffertar*) and CRR sets forth certain requirements on regulatory capital and exposure that the Issuer must observe. The Issuer is supervised by the Swedish FSA.

Credit quality

Total loans in the Bank Group amounted to SEK 367 billion (351 billion) on 31 December 2022, excluding deposits with the Swedish National Debt Office and similar items. The geographic distribution of the loan portfolio encompasses all of Sweden, and no loans were granted with collateral based outside Sweden. As of 31 December 2022, mortgages accounted for 80 per cent. (77 per cent.) of the loan portfolio and agricultural loans accounted for 9 per cent. (9 per cent.). Combined, these loans accounted for approximately 89 per cent. (86 per cent.) of the Bank Group's loan portfolio. Credit losses amounted to SEK 123 million, net (-331 million, net) corresponding to a credit loss level of 0.03 per cent. (-0.09 per cent.). Figures in parentheses pertain to the same period in 2021.

As of 31 December 2022, credit-impaired loan receivables (stage 3) before provisions amounted to SEK 963 million, corresponding to a share of credit-impaired loan receivables of 0.15 per cent. In 2022, the loss allowance for credit-impaired loan receivables was SEK 394 million. The reserve ratio for credit-impaired loan receivables amounted to 40.9 per cent. In addition, SEK 40 million of the remuneration to the Regional Insurance Companies regarding credit-impaired loan receivables in accordance with the settlement model for the Regional Insurance Companies' credit-risk commitments for generated business is withheld. The loss allowance for credit-impaired loan receivables (including the withheld remuneration to the Regional Insurance Companies) totalled SEK 434 million. The reserve ratio for credit-impaired loan receivables, including withheld remuneration to the Regional Insurance Companies, amounted to 45.1 per cent. and the total recognised loss allowance was SEK 636 million, of which SEK 80 million pertained to withheld remuneration to the Regional Insurance Companies in accordance with the settlement model for the Regional Insurance Companies' credit-risk commitments for generated business.

Funding strategy of the Bank Group

The Bank Group manages its funding and liquidity with the aim to have a sufficiently strong liquidity position to ensure that it can handle periods with stress in the capital markets, when access to new funding is limited or not even available. The liquidity risk is controlled and limited through a survival horizon methodology, which relates to how long all known contracted obligations can be met without any access to capital market financing.

The share of deposits in the Bank Group's total financing year amounted to 34 per cent. on 31 December 2022.

Given its retail-oriented business mix and large mortgage lending operation Bank Group's main funding sources are naturally retail deposits and covered bonds. However senior unsecured debt and commercial papers are also issued. The Bank Group has a low refinancing risk and the maturity profile is well diversified. As of 31 December 2022, deposits from the public amounted to SEK 153 billion. Debt securities amounted to a nominal SEK 263 billion, of which covered bonds amounted to SEK 218 billion, senior long-term funding to SEK 44 billion and short-term funding to SEK 1.4 billion. The average remaining term for the long-term funding was 3.0 years on 31 December 2022. The covered bonds are issued out of the issuer's subsidiary, LF Hypotek and mainly in the form of liquid benchmark bonds in the domestic Swedish market. Although SEK is the domination funding currency, diversification is achieved through regular Euro benchmark issuances in both senior preferred and covered bonds formats.

The market risk that arises from the lending and the funding operations are managed mainly through derivatives. Using derivatives increases the flexibility of borrowing activities, entailing that the financing can be based on market conditions with only a limited exposure to interest rate and currency risks.

Intercreditor agreement and subordination of the Issuer's claims in relation to LF Hypotek against certain borrowers

The Issuer and LF Hypotek have granted, and will grant loans to certain borrowers which are secured by security granted to the Issuer and LF Hypotek jointly and/or on a first and second ranking basis with respect to existing and/or future obligations of the borrowers (the "Joint Collateral"). The Issuer and LF Hypotek have, in an intercreditor agreement, agreed that, unless otherwise agreed in a specific case in relation to a certain borrower,

LF Hypotek's claims in respect of the Joint Collateral (and any income from the realisation thereof) shall rank senior to the Issuer's claims in respect thereof.

Liquidity facility agreement between the Issuer and LF Hypotek

The Issuer and LF Hypotek have entered into a liquidity facility agreement, pursuant to which the Issuer makes available a committed liquidity loan facility to LF Hypotek to support its ability to repay principal and pay interest on covered bonds issued under LF Hypotek's covered bonds programmes.

Credit policy

The lending portfolio is entirely comprised of loans with Swedish-based collateral. The loan book is geographically well-distributed across Sweden meaning there is no concentration in any particular region. Loan origination is primarily directed towards mortgages for private individuals' homes and family-owned agricultural operations. The Issuer does however also, itself and through Wasa Kredit, to a certain extent offer unsecured loans as well as, through Wasa Kredit, leasing and hire purchase loans.

All loans are given subject and pursuant to the credit policy decided by the board of directors and the credit process is largely automated. The Regional Insurance Companies have good knowledge about their customers and the local markets. The banking operations impose strict requirements on customers' repayment capacity and the quality of any collateral. In connection with credit scoring, the repayment capacity of borrowers and households is stress tested and the quality of the loan portfolio and the borrowers' repayment capacity are continuously monitored and reviewed. The credit policy is centrally decided and the automated credit scoring and decision support system are managed centrally by the Issuer. A majority of the credit decisions are taken locally by the Regional Insurance Companies. The decision-support model, combined with the expertise, local market knowledge and credit responsibility of the Regional Insurance Companies, creates favourable conditions for balanced and consistent loan origination and a loan portfolio of high credit quality.

Risk management

The overall objective is to protect shareholders' equity and the investors' and depositors' capital. Returns are maximised through active and secure financial management within the guidelines of the Bank Group's overall risk policy.

A sound financial management is ensured by the Issuer being proactive, maintaining clear divisions of responsibility and exercising strict controls. All limits, methods of measuring, financial instruments, reporting and responsibilities in respect of the policy are to be well defined and updated and modified as appropriate.

The divisions of responsibility in financial management are of utmost importance. This means that position taking and executing roles should have no influence on risk control and back-office functions.

Division of responsibility in risk management

The board of directors of the Issuer is ultimately responsible for the Bank Group's operations and, as a result, for safeguarding the Bank Group's assets and for creating risk awareness in the Bank Group. The board of directors of the Issuer achieves this goal, among others, by annually establishing central risk tolerances and risk strategies that ensure a sound and well-balanced process for risk-taking and risk management. Such a process can be characterised by a deliberate focus on changes in the operations and its macro-economic environment. The board of directors of the Issuer is also responsible for establishing all of the methods, models, systems and processes that form the internal measurement, control and reporting of identified risks. Through the Bank Group's Compliance, Risk Management and Internal Audit functions, the board of directors of the Issuer is also responsible for ensuring that the Issuer's regulatory compliance and risks are managed in a satisfactory manner.

The President is responsible for the ongoing administration of the Issuer in accordance with the risk tolerances and risk strategies established by the board of directors of the Issuer. This means that the President is responsible for ensuring that the methods, models, systems and processes that form the internal measurement, control and reporting of identified risks work in the manner intended and decided by the board of directors of the Issuer.

The President is the chairman of an Asset Liability Committee whose main task is to follow up capital and financial matters arising in the Bank Group.

Risk Management is an independent unit and has an independent position in relation to the corporate operations that it has been assigned to monitor and control. Risk Management is under the supervision of the President and is responsible to the board of directors of the Issuer for ensuring that risk policies are complied with, risk limits are

monitored and non-compliance is reported to the President and board of directors of the Issuer. In addition, Risk Management is responsible for the validation of the risk-classification system (the IRB Approach (as defined below)) and its use in the Issuer's operations. One of the most important tasks of the Risk Management is to ensure that the Issuer's operations have active risk management and that the risk tolerance established by the board of directors of the Issuer is converted into limits according to which the operations conduct their activities.

Agreement regarding settlement model with the Regional Insurance Companies

The "*Länsförsäkringar settlement model*", which was introduced on 1 January 2014, under which the Regional Insurance Companies have assumed part of the credit risk for loan losses related to the business they have originated, entails that the Regional Insurance Companies cover 80 per cent of the provisioning requirement in the Bank Group (excluding Wasa Kredit), on the date when an impairment is identified, by off-setting this against a buffer of accrued commission.

Capital adequacy

The Bank Group applies the Internal Ratings Based Approach (the "**IRB Approach**"). The advanced IRB Approach is applied to all retail exposure and to most of the counterparty exposures to corporates and the agricultural sector. The fundamental IRB Approach is applied to all other counterparty exposures to corporates and the agricultural sector and the Standardised Approach for other exposures. Since the second quarter of 2021, the Issuer Consolidated Situation comprises the Bank Group. As of 31 December 2022, the CET1 ratio according to CRD IV amounted to 15.4 per cent. for the Issuer Consolidated Situation and to 15.4 per cent. for the Bank Group alike. As of 31 December 2022, the Total Capital ratio according to CRD IV was 18.5 per cent. for the Issuer Consolidated Situation and 18.5 per cent. for the Bank Group alike.

RECENT DEVELOPMENTS

Disruptions in the global credit markets and economy

One factor that has led to significant volatility and uncertainty in the financial markets and in the global economy is armed conflicts, terrorism and wars such as Russia's invasion of Ukraine and the current situation in Israel and the surrounding regions. Among other things, this has led to significantly increased geopolitical stress and uncertainty both in the European and global economy. The financial markets have become increasingly volatile with higher interest rates, a weakened Swedish krona and increased inflation since the conflicts has emerged, which could have a negative impact on the Bank Group. As of the date of this Prospectus, it is uncertain, and highly difficult, to predict exactly what impact or consequence this may have on the Bank Group and the Issuer's business, financial position and results of operations.

THE BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

Board of directors

Name and Role

Mathias Collén

Born 1981
Chairman since 2022
President of Länsförsäkringar AB (publ)

Ulrica Hedman

Born 1974
Board member since 2022
President of Länsförsäkringar Uppsala

Emil Källström

Born 1987
Board member since 2022
President of SEKAB BioFuel Industries AB

Niklas Larsson

Born 1970
Board member since 2021
President of Länsförsäkringar Göinge-Kristianstad.

Hans Ljungkvist

Born 1952
Board member since 2021
Chairman of Länsförsäkringar Göteborg & Bohuslän

Anna Christina Norrström

Born 1952
Board member since 2022
Chairman of Länsförsäkringar Bergslagen

Ola Evensson

Born 1965
Board member since 2020
President Länsförsäkringar Älvsborg

Anette Andersson

Born 1962
Board member since 2020
Employee representative since 2022

Mattias Karlsson

Born 1974
Employee representative since 2020

Principal Outside Activities

Other board appointments: Chairman of Länsförsäkringar Fondliv and Agria Djurförsäkring. Board member of Länsförsäkringar Liv, Länsförsäkringar Mäklarservice, Försäkringsbranschens Pensionskassa och Eurapco.

Other board appointments: Member of the nomination committee Länsförsäkringar AB (publ), Board member of Drivhuset.

Other board appointments: Board member of Alma folkhögskola.

Other board appointments: Board member of LF Affärsservice Sydost AB and subsidiaries of Länsförsäkringar Göinge-Kristianstad.

Other board appointments: Chairman of AB Tornstaden and Crepido AB.

Other board appointments: Chairman of Länsförsäkringar Bergslagen Fastigheter AB. Board member of Hällefors Tierp Skogar AB and FastighetsAB Congress i Västerås.

Other board appointments: Chairman of Älvsborg Larmcentral Aktiebolag. Board member of Länsförsäkringar Trygghetstjänster AB, Humlegården Fastigheter AB, LFant AB and Skadedjursbekämpning i Väst AB.

Other board appointments: Board member of Forena Stockholm Länsförsäkringar.

Other board appointments: Board member of Wasa Kredit.

Executive management

Name and Role

Sven Eggefalk

Born 1969
President. Employed since 2018.

Anders Larsson

Born 1965
President of LF Hypotek. Employed since 1997.

Susanne Calner

Born 1969
Head of CEO office. Employed since 2012.

Principal Outside Activities

Chairman of the board of LF Hypotek and Wasa Kredit. Board member of LF Fondförvaltning, Länsförsäkringar Fastighetsförmedling AB and Svenska Bankföreningen.

N/A

N/A

Martin Rydin Born 1968. CFO. Employed since 2012.	N/A
Bengt Clemedtson Born 1964 Head of Customer & Market. Employed since 2006.	N/A
Åsa Wallenberg Born 1972 President of Länsförsäkringar Fondförvaltning AB. Employed since 2023.	N/A
Ellinor Örtegren Johanson Born 1958 Head of Financial Crime Prevention. Employed since 2020.	N/A
Louise Lindgren² Born 1959 Chief Risk Officer. Employed since 2014.	N/A
Thomas Högväg Born 1968 President of Wasa Kredit AB. Employed since 2018.	N/A
Tobias Ternstedt Born 1972 Head of Product, Process, Operations & IT. Employed since 2010	Board member of Finansiell ID-teknik AB.
Michael Patring Born 1975 Head of Credit. Employed since 2017	N/A

The business address of each member of the board of directors and executive management of the Issuer is Tegeluddsvägen 11-13, SE-106 50 Stockholm, Sweden.

Additional information on the board of directors and executive management of the Issuer

To the best knowledge of the Issuer, no potential conflicts of interest exist between the private interests and other duties of the members of the board of directors or the executive management of the Issuer and their duties towards the Issuer. The aforesaid applies also to other persons from the Issuer involved in the preparation of this Prospectus.

Auditor

Deloitte AB, with address Rhensgatan 11 113 79 Stockholm, is the Issuer's auditor, with Patrick Honeth as auditor-in-charge. Patrick Honeth is an authorised public accountant, licensed auditor for financial companies and a member of FAR, the industry organisation for auditors, accounting consultants, tax advisers, payroll consultants and specialists in Sweden.

To the best knowledge of the Issuer, there are no conflicts of interest or potential conflict of interest between the obligations of the Issuer's auditors to the Issuer and private interests and/or obligations of the Issuer's auditors.

² Markus Gustafsson is appointed as new Chief Risk Officer from 1 February 2024.

LEGAL AND SUPPLEMENTARY INFORMATION

Information about the Prospectus

This Prospectus has been approved by the Swedish FSA as competent authority under the Regulation (EU) 2017/1129 (Prospectus Regulation). The Swedish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The Swedish FSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

This Prospectus is valid for twelve months after the date of the approval of the Prospectus. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply from the time when the Notes have been admitted to trading on a Regulated Market.

Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Notes was authorised by a resolution of the board of directors of the Issuer on 18 September 2023.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The board of directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Material agreements

Neither the Issuer nor any other company within the Bank Group has concluded any material agreements not entered into in the ordinary course of its business which could result in a member of the Bank Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders.

Governmental, legal and arbitration proceedings

The Bank Group has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened that the Issuer is aware of) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or the Bank Group's financial position or profitability.

Certain material interests

Nordea Bank Abp, Swedbank AB (publ) and Skandinaviska Enskilda Banken AB (publ) are Joint Bookrunners in conjunction with the issuance of the Notes. The Joint Bookrunners (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Bank Group for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

Trend information

There has been no material adverse change in the prospects of the Issuer since 17 March 2023, being the date of the last published audited annual financial statements of the Issuer.

There has been no significant change in the financial performance of the Bank Group since 31 December 2023, being the date of the end of the last financial period for which financial information has been published to the date of this Prospectus.

Significant changes since 31 December 2023

There have been no significant changes in the financial position of the Bank Group since 31 December 2023, being the end of the last financial period for which interim financial information of the Issuer has been presented.

Incorporation by reference

The following information has been incorporated into this Prospectus by reference and should be read as part of the Prospectus:

Annual Report for 2021

<https://mb.cision.com/Main/152/3529640/1551789.pdf>

as regards the audited consolidated financial information and the audit report on pages 39 (Income statement (*Resultaträkning*)), 40 (Balance sheet (*Balansräkning*)), 41 (Cash flow report (*Kassaflödesanalys*)), 42 (Changes to equity (*Förändringar i eget kapital*)), 43–50 (Accounting principles (*Redovisningsprinciper*)), 43–86 (Notes (*Noter*)), 112–115 (Independent auditor's report (*Revisionsberättelse*)) and 119 (Definitions (*Definitioner*))

Annual Report for 2022

<https://mb.cision.com/Main/152/3736405/1924439.pdf>

as regards the audited consolidated financial information and the audit report on pages 40 (Income statement (*Resultaträkning*)), 40 (Balance sheet (*Balansräkning*)), 42 (Cash flow statement (*Kassaflödesanalys*)), 43 (Statement of changes in equity (*Förändringar i eget kapital*)), 44–51 (Accounting principles (*Redovisningsprinciper*)), 44–86 (Notes (*Noter*)), 112–114 (Independent auditor's report (*Revisionsberättelse*)) and 118 (Definitions (*Definitioner*))

Interim Report for January–December 2023

<https://mb.cision.com/Main/152/3925757/2594583.pdf>

as regards the consolidated financial information on pages 9 (Income statement (*Resultaträkning*)), 10 (Balance sheet (*Balansräkning*)), 11 (Cash flow report (*Kassaflödesanalys*)), 12 (Changes to equity (*Förändringar i eget kapital*)), 13 (Accounting principles (*Redovisningsprinciper*)), 13–32 (Notes (*Noter*)), 34 (Independent auditor's review (*Granskningsrapport*)) and 35 (Definitions (*Definitioner*))

Information in the above documents which is not incorporated by reference is either deemed by the Issuer not to be relevant for investors in Notes or is covered elsewhere in the Prospectus.

The Issuer's annual reports and interim report have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (*lagen 1995:1559 om årsredovisning i kreditinstitut och värdepappersbolag*), the accounting regulations of the Swedish FSA in respect of Credit Institutions and Securities Companies (*FFFS 2008:25 - Föreskrifter och allmänna råd om årsredovisning i kreditinstitut och värdepappersbolag* (including its amendments)) and the Supplementary Accounting Rules for the Bank Group (RFR 1) of the Swedish Financial Reporting Board have been applied. The annual reports for 2021 and 2022 have been audited by the Issuer's auditor and the interim report for January–December 2023 has been reviewed by the Issuer's auditor. With the exception of the annual reports and the interim report, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

Documents available

The following documents are available at the Issuer's website, www.lansforsakringar.se (the information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus):

- the Issuer's certificate of registration and articles of association; and
- the Terms and Conditions of the Notes.

TERMS AND CONDITIONS OF THE NOTES



**TERMS AND CONDITIONS FOR
LÄNSFÖRSÄKRINGAR BANK AB
SEK 1,350,000,000
FLOATING RATE ADDITIONAL TIER 1 CAPITAL NOTES**

ISIN: SE0021020690

Issue date: 23 January 2024

SELLING RESTRICTIONS

No action is being taken that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

PRIVACY NOTICE

The Issuer and the Agent may collect and process personal data relating to the Noteholders, the Noteholders' representatives or agents, and other persons nominated to act on behalf of the Noteholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Notes). The personal data relating to the Noteholders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer and the Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Notes and payments under the Notes;
- (c) to enable the Noteholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Issuing Agent and the Agent in relation to items (a)–(c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer or Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing. Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer and the Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Issuing Agent's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites lansforsakringar.se, seb.se and nordictrustee.com.

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time/as in force on the Issue Date) as applied by the Issuer in preparing its annual consolidated financial statements.

“**Additional Tier 1 Capital**” means, at any time, the sum, expressed in Swedish Kronor, of all amounts that constitute additional tier 1 capital (*primärkapitaltillskott*) as defined in the Applicable Capital Regulations at the relevant time.

“**Adjusted Nominal Amount**” means the Total Nominal Amount *less* the aggregate Nominal Amount of all Notes owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Notes.

“**Adjustment Spread**” has the meaning set forth in Clause 18.2.

“**Affiliate**” means:

- (a) an entity controlling or under common control with the Issuer, other than a Group Company; and
- (b) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in paragraph (a) above to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in paragraph (a) above.

For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879 or such other party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Agency Agreement**” means the agency agreement entered into before the Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

“**Applicable Capital Regulations**” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy applicable to the Issuer or the Issuer Consolidated Situation, as the case may be, including, without limitation to the generality of the foregoing, CRD IV, any delegated act adopted by the European Commission thereunder and any other laws, regulations, requirements, guidelines and policies relating to capital adequacy as then applied in Sweden by the Swedish FSA and/or any successor (whether or not such requirements, guidelines, regulatory technical standards or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Issuer Consolidated Situation).

“**Base Rate**” means three (3) month STIBOR or any reference rate replacing STIBOR in accordance with Clause 18 (*Base Rate replacement*).

“**Base Rate Administrator**” means Swedish Financial Benchmark Facility AB (SFBF) or any person replacing it as administrator of the Base Rate.

“**Base Rate Event**” means as set out in Clause 18.2.

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year’s Eve (*nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“**Capital Event**” means, at any time on or after the Issue Date, a change in the regulatory classification of the Notes that would be likely to result in the exclusion, wholly or partially, of the Notes from the Additional Tier 1 Capital of the Issuer, the Issuer Consolidated Situation or the reclassification, wholly or partially, of the Notes as a lower quality form of regulatory capital, provided that:

- (a) the Swedish FSA considers such a change to be sufficiently certain;
- (b) the Issuer demonstrates to the satisfaction of the Swedish FSA that such change was not reasonably foreseeable at the Issue Date, and
- (c) such exclusion or reclassification is not a result of any applicable limitation on the amount of such Additional Tier 1 Capital contained in the Applicable Capital Regulations.

“**CET1 Capital**” means, at any time, the sum, expressed in Swedish Kronor, of all amounts that constitute common equity tier 1 capital of the Issuer or the Issuer Consolidated Situation, respectively, as calculated by the Issuer in accordance with the Applicable Capital Regulations at such time.

“**CET1 Ratio**” means, at any time:

- (a) in relation to the Issuer, the ratio (expressed as a percentage) of the aggregate amount of the CET1 Capital of the Issuer at such time *divided* by the Risk Exposure Amount of the Issuer at such time; and
- (b) in relation to the Issuer Consolidated Situation, the ratio (expressed as a percentage) of the aggregate amount of the CET1 Capital of the Issuer Consolidated Situation at such time *divided* by the Risk Exposure Amount of the Issuer Consolidated Situation at such time,

in each case as calculated by the Issuer in accordance with the CRD IV requirements and any applicable transitional arrangements under the Applicable Capital Regulations at the relevant time.

“**CRD IV**” means the legislative package consisting of the CRD IV Directive, the CRR and any CRD IV Implementing Measures.

“**CRD IV Directive**” means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013 as amended or replaced from time to time.

“**CRD IV Implementing Measures**” means any regulatory capital rules, regulations or other requirements implementing (or promulgated in the context of) the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts or regulations (including technical standards) adopted by the European Commission, national laws and regulations, adopted by the Swedish FSA and guidelines issued by the Swedish FSA, the European Banking Authority or any other relevant authority, which are applicable to the Issuer or the Group, as applicable, in each case as the same may be amended or replaced from time to time.

“**CRR**” means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or any other party replacing it, as CSD, in accordance with these Terms and Conditions.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Notes from time to time.

“**Debt Register**” means the debt register (*skuldbok*) kept by the CSD in respect of the Notes in which a Noteholder is registered.

“**Distributable Items**” means, subject to as otherwise defined in the Applicable Capital Regulations, the amount of the profits at the end of the of the last financial year, *plus* any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments (*kapitalbasinstrument*) (excluding, for the avoidance of doubt, distributions to holders of any Tier 2 Capital instruments) *less* any losses brought forward, profits which are non-distributable pursuant to any applicable legislation or the Issuer’s articles of association and sums placed to non-distributable reserves in accordance with applicable legislation or the Issuer’s articles of association, those losses and reserves being determined on the basis of the audited annual financial statements of the Issuer in respect of such financial year.

“**Finance Documents**” means these Terms and Conditions, and any other document designated by the Issuer and the Agent as a Finance Document.

“**Financial Instruments Accounts Act**” means the Swedish Central Depositories and Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

“**First Call Date**” means the Interest Payment Date falling on or immediately after the fifth (5) anniversary of the Issue Date (being 23 January 2029).

“**Force Majeure Event**” has the meaning set forth in Clause 25.1.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Independent Adviser**” has the meaning set forth in Clause 18.2.

“**Initial Call Period**” means the period commencing on (and including) the First Call Date and ending on (and including) the Interest Payment Date falling on or about three (3) months from the First Call Date.

“**Interest**” means the interest on the Notes calculated in accordance with Clause 10.1 (*Interest*).

“**Interest Payment Date**” means 23 January, 23 April, 23 July and 23 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 23 April 2024 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means:

- (a) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date; and
- (b) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means the Base Rate *plus* 2,90 per cent. *per annum* as adjusted by any application of Clause 18 (*Base Rate replacement*).

“**Issue Date**” means 23 January 2024.

“**Issuer**” means Länsförsäkringar Bank AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 516401-9878 and LEI code 549300C6TUMDXNOVXS82.

“**Issuer Consolidated Situation**” means the Issuer and any other entity which is part of the Swedish prudential consolidated situation (as such term is used in the Applicable Capital Regulations) of which the Issuer is a part, from time to time.

“**Issuing Agent**” means Skandinaviska Enskilda Banken AB (publ), or such other party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

“**Nominal Amount**” has the meaning set forth in Clause 2.3.

“**Note**” means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which is governed by and issued under these Terms and Conditions.

“**Noteholder**” means the person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 16.1 (*Request for a decision*), Clause 16.2 (*Convening of Noteholders’ Meeting*) and Clause 16.4 (*Majority, quorum and other provisions*).

“**Qualifying Securities**” means securities issued directly or indirectly by the Issuer following a substitution or variation of the Notes in accordance with Clause 12.4(b) that:

- (a) have terms not materially less favourable to investors, certified by the Issuer acting reasonably, than the terms of the Notes (immediately prior to the relevant substitution or variation), provided that they shall:
 - (i) include a ranking at least equal to that of the Notes;
 - (ii) have at least the same Interest Rate and the same Interest Payment Dates as those applying to the Notes;
 - (iii) have the same redemption rights as the Notes;
 - (iv) preserve any existing rights under the Notes to any accrued interest which has not been paid but which has not been cancelled in respect of the period from (and including) the Interest Payment Date last preceding the date of the relevant substitution or variation of the Notes;
 - (v) are assigned (or maintain) the same or higher credit ratings as were assigned to the Notes (if any) immediately prior to the relevant substitution or variation of the Notes;
 - (vi) comply with the then current requirements for Additional Tier 1 Capital contained in the Applicable Capital Regulations; and
- (b) are admitted to trading on a regulated market, if the Notes were admitted to trading on a regulated market immediately prior to the relevant substitution or variation.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5) Business Day prior to:

- (a) an Interest Payment Date;
- (b) a Redemption Date;
- (c) a date on which a payment to the Noteholders is to be made under Clause 15 (*Distribution of proceeds*);
- (d) a date of a Noteholders’ Meeting; or
- (e) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date (if any) on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Notes*).

“**Regulated Market**” means Nasdaq Stockholm or any other regulated market (as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU).

“**Relevant Nominating Body**” has the meaning set forth in Clause 18.2.

“**Risk Exposure Amount**” means, at any time, with respect to the Issuer or the Issuer Consolidated Situation, as the case may be, the aggregate amount of the risk weighted assets or equivalent of the Issuer or the Issuer Consolidated Situation, respectively, calculated in accordance with the Applicable Capital Regulations at such time.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which:

- (a) an owner of such security is directly registered; or
- (b) an owner’s holding of securities is registered in the name of a nominee.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate (STIBOR) administered by the Base Rate Administrator for Swedish Kronor and for a period equal to the relevant Interest Period, as displayed on page STIBOR= of the Refinitiv screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day;
- (b) if no rate as described in paragraph (a) above is available for the relevant Interest Period, the rate determined by the Issuing Agent by linear interpolation between the two closest rates for STIBOR fixing (rounded upwards to four decimal places), as displayed on page STIBOR= of the Refinitiv screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for Swedish Kronor;
- (c) if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period, the arithmetic mean of the Stockholm interbank offered rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period and no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

“**Successor Base Rate**” has the meaning set forth in Clause 18.2.

“**Swedish FSA**” means the Swedish Financial Supervisory Authority (*Finansinspektionen*) or such other governmental authority in Sweden (or, if the Issuer becomes subject to primary bank supervision in a jurisdiction other than Sweden, the relevant governmental supervisory authority in such other jurisdiction) or the European Union having primary bank supervisory authority with respect to the Issuer.

“**Swedish Kronor**” and “**SEK**” means the lawful currency of Sweden.

“**Tax Event**” means, as a result of any change in, or amendment to, the laws or regulations of Sweden, or any change in the application or official interpretation of such laws or regulations, which change

or amendment becomes effective on or after the Issue Date, resulting in that the Issuer is, or becomes, subject to a significant amount of additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes, provided that the Issuer satisfies the Swedish FSA that such change in tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date.

“**Tier 2 Capital**” means tier 2 capital (*supplementärkapital*) as defined in Chapter 4 of Title I of Part Two of the CRR and/or as defined in the Applicable Capital Regulations at such time.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

“**Trigger Event**” means if, at any time, the CET1 Ratio of the Issuer or the Issuer Consolidated Situation, as calculated in accordance with the Applicable Capital Regulations, is less than 5.125 per cent., in the case of the Issuer, or 7.00 per cent., in the case of the Issuer Consolidated Situation, in each case as determined by the Issuer and/or the Swedish FSA (or any agent appointed for such purpose by the Swedish FSA).

“**Write Down Amount**” has the meaning as set forth in Clause 11.1.6.

“**Write Down Date**” has the meaning as set forth in Clause 11.1.2.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 16.1 (*Request for a decision*), Clause 16.3 (*Instigation of Written Procedure*) and Clause 16.4 (*Majority, quorum and other provisions*).

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (b) a “**regulation**” includes any law, regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (c) a provision of regulation is a reference to that provision as amended or re-enacted; and
- (d) a time of day is a reference to Stockholm time.

1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken on a specific Business Day, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

1.2.3 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

1.2.4 The selling and distribution restrictions and the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Noteholders and the Agent (save for the privacy statement insofar it relates to the Agent)

2. THE NOTES

2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions, subject to and in accordance with these Terms and Conditions.

2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.

- 2.3 The initial nominal amount of each Note is SEK 2,000,000 (the “**Nominal Amount**”). The Total Nominal Amount of the Notes is SEK 1,350,000,000. The Nominal Amount, and the Total Nominal Amount, may, be subject to a write-down, and subsequent reinstatement, in each case on a *pro rata* basis, in accordance with Clause 11 (*Loss absorption and reinstatement*), and “Nominal Amount” shall be construed accordingly.
- 2.4 Each Note is issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 2.5 The ISIN for the Notes is SE0021020690.
- 2.6 The Issuer reserves the right to issue further notes, including, subordinated notes, and other obligations in the future, which may rank senior to or *pari passu* with the Notes.
- 2.7 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.8 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. STATUS OF THE NOTES

- 3.1 The Notes on issue are intended to constitute Additional Tier 1 Capital of the Issuer and the Issuer Consolidated Situation. The Notes will constitute direct, unsecured and subordinated debt liabilities of the Issuer, and the Notes, and all payments in respect of, or arising from (including any damages awarded for breach of any obligations under) the Notes, shall at all times rank:
- (a) *pari passu* without any preference among themselves;
 - (b) *pari passu* with:
 - (i) any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital; and
 - (ii) any other liabilities or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes,

in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
 - (c) senior to the claims of holders of all classes of the Issuer’s shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
 - (d) junior to any present and future claims of:
 - (i) depositors of the Issuer;
 - (ii) any other unsubordinated creditors of the Issuer;
 - (iii) any non-preferred creditors falling within the scope of the first paragraph of Section 18 of the Swedish Rights of Priority Act (*förmånsrättslagen (1970:979)*); and

- (iv) except as expressly stated in paragraph (a) or (b) above, any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital.

3.2 A Noteholder or the Agent may only declare the Notes (and any accrued interest) due and payable in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer as set out in Clause 14.1.

3.3 No Noteholder who in the event of the liquidation or bankruptcy of the Issuer is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes (including any damages awarded for breach of any obligations under these Terms and Conditions, if any are payable) held by such Noteholder. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Noteholder shall, subject to applicable regulation, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its liquidation or bankruptcy, the liquidator or, as appropriate, other insolvency practitioner appointed to the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount as escrow funds (*redovisningsmedel*) on a separate account on behalf of the Issuer (or the liquidator or, as appropriate, other insolvency practitioner appointed to the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

4. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes for general corporate purposes of the Group.

5. CONDITIONS FOR DISBURSEMENT

5.1 Prior to the issuance of the Notes, the Issuer shall provide the following to the Agent:

- (a) the Finance Documents and the Agency Agreement duly executed by the parties thereto;
- (b) a copy of an officer's certificate certifying the extract of the resolution from the board of directors of the Issuer approving the issue of the Notes, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith is in place;
- (c) the articles of association and an up-to date certificate of registration of the Issuer;
- (d) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of parties thereto is/are duly authorised to do so; and
- (e) such other documents and information as is agreed between the Agent and the Issuer.

5.2 The Agent may assume that the documentation delivered to it pursuant to Clause 5.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

5.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 5.1 have been satisfied.

6. NOTES IN BOOK-ENTRY FORM

6.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Noteholders and their holdings of Notes.

6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalk (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right

to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- 6.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 6.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 6.5 The Issuer and the Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 7.1 If any person other than a Noteholder (including the owner of a Note, if such person is not the Noteholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 7.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney (unless the power of attorney from such Noteholder states otherwise).
- 7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 7.4 These Terms and Conditions shall not affect the relationship between a Noteholder who is the nominee (*förvaltare*) with respect to a Note and the owner of such Note, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

8. ADMISSION TO TRADING

- 8.1 Subject to Clause 8.3, the Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date, and that it remains admitted or, if admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.
- 8.2 Subject to Clause 8.3, the Issuer shall, following the admission to trading, use reasonable efforts to maintain the admission to trading as long as any Notes are outstanding, however not longer than up to and including the last day of which the admission to trading can reasonably, pursuant to the applicable regulations of the Regulated Market and the CSD Regulations, subsist.
- 8.3 For the avoidance of doubt, neither a Noteholder nor the Agent has the right to accelerate the Notes or otherwise request a prepayment or redemption of the Notes if a failure to list or admit to trading the Notes or maintain an admission to trading of the Notes in accordance with Clause 8.1 or 8.2 above occurs.

9. PAYMENTS IN RESPECT OF THE NOTES

- 9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is

registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

- 9.2 Provided that a Noteholder has registered an income account (*avkastningskonto*) for the relevant Securities Account on the applicable Record Date, the CSD shall procure that principal, interest and other payments under the Notes are deposited to such income account on the relevant payment date. If an income account has not been registered on the Record Date for the payment, no payment will be effected by the CSD to such Noteholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Noteholder on the relevant Record Date has made a valid request for such amount. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. For the avoidance of doubt, such postponement shall in no event constitute an event of default.
- 9.4 If payment or repayment is made in accordance with this Clause 9 (*Payments in respect of the Notes*), the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount (unless the Issuer has actual knowledge of the fact that the payment was made to the wrong person).
- 9.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax (including but not limited to 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), public levy or the similar.

10. INTEREST AND INTEREST CANCELLATION

10.1 Interest

- 10.1.1 Subject to Clause 10.2 and Clause 11, each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- 10.1.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 10.1.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

10.2 Interest cancellation

- 10.2.1 Any payment of Interest in respect of the Notes shall be payable only out of the Issuer’s Distributable Items and:
- (a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; or
 - (b) will be mandatorily cancelled if and to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.
- 10.2.2 The Issuer shall give notice to the Noteholders in accordance with Clause 24 (*Notices*) of any such cancellation of a payment of Interest, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above.
- 10.2.3 Following any cancellation of Interest as described above, the right of the Noteholders to receive accrued Interest in respect of any such Interest Period will terminate and the Issuer will have no further

obligation to pay such Interest or to pay interest thereon, whether or not payments of Interest in respect of subsequent Interest Periods are made, and such unpaid Interest will not be deemed to have “accrued” or been earned for any purpose.

- 10.2.4 Failure to pay such interest (or the cancelled part thereof) in accordance with this Clause 10 shall not constitute an event of default or the occurrence of any event related to the insolvency of the Issuer or entitle the Noteholders to take any action to cause the Issuer to be declared bankrupt or for the liquidation, winding-up or dissolution of the Issuer.

10.3 Calculation of Interest in case of write-down or reinstatement

- 10.3.1 Subject to Clause 10.2 (*Interest cancellation*), in the event that a write-down of the Notes occurs pursuant to Clause 11.1 (*Loss absorption upon a Trigger Event*) during an Interest Period, Interest will continue to accrue on the Nominal Amount (as adjusted as of such write-down).

- 10.3.2 Subject to Clause 10.2 (*Interest cancellation*), in the event that a reinstatement of the Notes occurs pursuant to Clause 11.2 (*Reinstatement of the Notes*), Interest shall begin to accrue on the reinstated Nominal Amount with effect from (and including) the relevant Reinstatement Date.

- 10.3.3 In connection with a write-down or write-up pursuant to Clause 11 (*Loss absorption and reinstatement*), the Issuer shall inform the CSD of the adjusted interest that shall be applied on the next Interest Payment Date, in order for the Noteholders to receive an amount of Interest equivalent to the Interest Rate on the Nominal Amount so written down or written up (as applicable).

10.4 No penalty interest

Under no circumstances shall any penalty interest (*dröjsmålsränta*) be payable by the Issuer in respect of the Notes.

11. LOSS ABSORPTION AND REINSTATEMENT

11.1 Loss absorption upon a Trigger Event

- 11.1.1 If at any time a Trigger Event occurs, the Issuer shall immediately notify the Swedish FSA, the Noteholders and the Agent in accordance with Clause 24 (*Notices*) and the Total Nominal Amount or the Issuer’s payment obligation under the Notes shall be written down in accordance with this Clause 11.1 (*Loss absorption upon a Trigger Event*).

- 11.1.2 A write-down shall take place on a date selected by the Issuer (the “**Write Down Date**”) but no later than one month following the occurrence of the relevant Trigger Event unless, in accordance with the Applicable Capital Regulations, the Swedish FSA has agreed with the Issuer in writing that a write-down may occur after a longer period, in which case, on such date as agreed with the Swedish FSA.

- 11.1.3 A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) by the Noteholders and shall be made in consultation with the Swedish FSA and in accordance with the CSD Regulations.

- 11.1.4 The amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would restore the CET1 Ratio of the Issuer to at least 5.125 per cent., and the CET1 Ratio of the Issuer Consolidated Situation to at least 7.00 per cent., in each case at the point of such write-down, provided that the maximum reduction of the Total Nominal Amount shall be down to a Nominal Amount per Note of SEK 1.00.

- 11.1.5 A write-down in accordance with this Clause 11.1 (*Loss absorption upon a Trigger Event*) shall be made taking into account any preceding or imminent write-down of corresponding or similar loss absorbing instruments issued by the Issuer, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).

- 11.1.6 For the avoidance of doubt, the Notes shall, upon the write-down of the Total Nominal Amount described above, be written down on a *pro rata* basis immediately prior to the write-down and references herein to “**Write Down Amount**” shall mean, in respect of each Note, the amount by which

the Nominal Amount of such Note is to be written down accordingly. A Trigger Event may occur on more than one occasion (and each Note may be written down on more than one occasion).

- 11.1.7 The Issuer shall set out its determination of the Write Down Amount per Note in the relevant notice referred to in Clause 11.1.8 below together with the Nominal Amount following the relevant write-down. However, if the Write Down Amount has not been determined when such notice is given, the Issuer shall, as soon as reasonably practicable following such determination, notify the Write Down Amount to the Noteholders and the Agent in accordance with Clause 24 (*Notices*) and procure that the Swedish FSA is notified. The Issuer's determination of the relevant Write Down Amount shall be irrevocable and binding on all parties.
- 11.1.8 If the Notes are to be written down, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 24 (*Notices*). Notwithstanding the foregoing, failure to give such notice shall not prejudice, affect the effectiveness of, or otherwise invalidate, any write-down of the Notes.
- 11.1.9 Any reduction of the Nominal Amount of a Note pursuant to this Clause 11.1 (*Loss absorption upon a Trigger Event*) shall not constitute an event of default by the Issuer for any purpose, and the Noteholders shall have no right to claim the amounts written down, whether in liquidation or bankruptcy of the Issuer or otherwise, save to the extent (if any) such amounts are registered in accordance with Clause 11.2 (*Reinstatement of the Notes*).

11.2 Reinstatement of the Notes

- 11.2.1 Following a write-down of the Total Nominal Amount in accordance with Clause 11.1 (*Loss absorption upon a Trigger Event*), the Issuer may, at its absolute discretion, reinstate any portion of the principal of the Notes, subject to compliance with any maximum distribution limits set out in the Applicable Capital Regulations.
- 11.2.2 Unless write up of the principal amount of the Notes is permitted and possible in accordance with the CSD Regulations, reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the CSD Regulations.
- 11.2.3 A reinstatement in accordance with this Clause 11.2 (*Reinstatement of the Notes*) shall be made taking into account any preceding or imminent reinstatement of corresponding or similar loss absorbing instruments (if any) issued by the Issuer or any other member of the Issuer Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).
- 11.2.4 For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Notes (if issued in full), being SEK 1,350,000,000.
- 11.2.5 For the avoidance of doubt, any reinstatement of the Notes shall be made on a *pro rata* basis.
- 11.2.6 If the Issuer decides to reinstate any proportion of the principal of the Notes, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 24 (*Notices*) prior to such reinstatements becoming effective and specifying the date on which the reinstatements will become effective (the "**Reinstatement Date**"). Such notice shall specify the Record Date and any technical or administrative actions that a Noteholder needs to undertake to receive its portion of the reinstatement. A reinstatement of the Notes shall take place on a Business Day as selected by the Issuer, however, falling no earlier than twenty (20) Business Days following the effective date of the reinstatement notice.

12. REDEMPTION AND REPURCHASE OF THE NOTES

12.1 No scheduled redemption

The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in this Clause 12 (*Redemption and repurchase of the Notes*). The Notes are not redeemable at the option of the Noteholders at any time and the Noteholders shall have no

right to accelerate the Notes or other remedies or sanctions against the Issuer for any breach of these Terms and Conditions by the Issuer, other than as set out in Clause 14 (*Bankruptcy or Liquidation*).

12.2 Redemption at the option of the Issuer

Subject to Clause 12.5 (*Consent from the Swedish FSA*) and giving notice in accordance with Clause 12.7 (*Notice of redemption*), the Issuer may redeem all (but not some only) outstanding Notes on:

- (a) any Business Day falling within the Initial Call Period; or
- (b) any Interest Payment Date falling after the Initial Call Period.

12.3 Purchase of Notes by the Issuer and related companies

Subject to applicable regulations and to Clause 12.5 (*Consent from the Swedish FSA*), a Group Company, or other company forming part of the Issuer Consolidated Situation, may at any time on or following the First Call Date and at any price purchase Notes on the market or in any other way and at any price. Notes held by such company may at its discretion be retained, sold or cancelled.

12.4 Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event

If a Capital Event or Tax Event occurs, the Issuer may, at its option, but subject to Clause 12.5 (*Consent from the Swedish FSA*) and giving notice in accordance with Clause 12.7 (*Notice of redemption, substitution or variation*):

- (a) redeem all (but not some only) outstanding Notes on any Interest Payment Date; or
- (b) substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with this Clause 12.4 (*Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) in relation to the Qualifying Securities so substituted or varied.

12.5 Consent from the Swedish FSA

The Issuer, or any other company forming part of the Issuer Consolidated Situation may not redeem, purchase, substitute or vary, as contemplated by this Clause 12 (*Redemption and repurchase of the Notes*), any Notes without obtaining the prior written consent of the Swedish FSA and in accordance with the Applicable Capital Regulations (including any pre-conditions set out therein at the relevant time). Any refusal by the Swedish FSA to give its consent shall not constitute an event of default for any purpose.

12.6 Redemption amount

The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

12.7 Notice of redemption, substitution or variation

12.7.1 Any redemption, substitution or variation in accordance with Clauses 12.2 (*Redemption at the option of the Issuer*) and 12.4 (*Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent in accordance with Clause 24 (*Notices*). Any such notice is irrevocable and, upon expiry of the notice period, the Issuer is bound to redeem the Notes.

12.7.2 Notwithstanding Clause 12.7.1, if a Trigger Event occurs following a notice being given in accordance with Clause 12.7.1 but prior to the relevant redemption of the Notes, such notice shall be

of no force and effect and Clause 11.1 (*Loss absorption upon a Trigger Event*) shall apply, and, for the avoidance of doubt, no redemption shall occur.

13. INFORMATION TO NOTEHOLDERS

13.1 Information from the Issuer

The Issuer shall make the following information available to the Noteholders and the Agent by way of publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within five (5) months after the end of each financial year, audited consolidated financial statements of the Group for that financial year prepared in accordance with the Accounting Principles; and
- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) of the Group for such period prepared in accordance with the Accounting Principles.

13.2 Information from the Agent

Subject to the restrictions of any agreement regarding the non-disclosure of information received from the Issuer, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information.

13.3 Information among the Noteholders

Upon a reasonable request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that the requesting Noteholder or the Issuer reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.

13.4 Publication of Finance Documents

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

14. BANKRUPTCY OR LIQUIDATION

14.1 The Noteholders have no right to accelerate the Notes or otherwise request prepayment or redemption of the principal amount of the Notes. If, and, notwithstanding anything to the contrary in these Terms and Conditions, only if, the Issuer is declared bankrupt or put into liquidation, a Noteholder may prove or claim in such bankruptcy or liquidation for payment of the Nominal Amount of Notes held by such Noteholder, together with Interest accrued to (but excluding) the date of commencement of the relevant bankruptcy or liquidation proceedings to the extent the Interest has not been cancelled by the Issuer.

14.2 If an event where the Issuer is declared bankrupt or put into liquidation as set out in Clause 14.1 above occurs, the Agent is, following the instructions of the Noteholders, authorised to:

- (a) by notice to the Issuer, declare all, but not only some, of the outstanding Notes due for payment together with any other amounts payable under the Finance Documents (except any Interest cancelled in accordance with Clause 10.2 (*Interest cancellation*)), immediately or at such later date as the Agent determines, and
- (b) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

14.3 In the event of an acceleration of the Notes upon the Issuer being declared bankrupt or put into liquidation, the Issuer shall redeem all Notes at an amount equal to 100 per cent. of the Nominal Amount together with accrued and unpaid interest. However, no payment will be made to the Noteholders before all amounts due, but unpaid, to all other creditors of the Issuer ranking ahead of the Noteholders as described in Clause 3 (*Status of the Notes*) have been repaid by the Issuer, as ascertained by the judicial liquidator (*likvidator*) or bankruptcy administrator (*konkursförvaltare*).

14.4 In the event of bankruptcy, liquidation or resolution of the Issuer, no Noteholder shall be entitled to exercise any right of set-off or counterclaim against monies owed by the Issuer in respect of Notes held by such Noteholder.

15. DISTRIBUTION OF PROCEEDS

15.1 In the event of the liquidation or bankruptcy of the Issuer, all payments relating to the Notes and the Finance Documents shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of:
 - (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Terms and Conditions (other than any indemnity given for liability against the Noteholders);
 - (ii) other costs and expenses relating to the protection or the Noteholders' rights as may have been incurred by the Agent;
 - (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.9; and
 - (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.4.11;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes not cancelled in accordance with Clause 10.2 (*Interest cancellation*) (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

15.2 Funds that the Agent receives (directly or indirectly) following an application of Clause 15.1 in connection with the enforcement or acceleration of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate bank account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 (*Distribution of proceeds*) as soon as reasonably practicable.

15.3 If the Issuer or the Agent shall make any payment under this Clause 15 (*Distribution of proceeds*), the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made in accordance with Clause 24 (*Notices*). The notice from the Issuer shall specify the Record Date, the payment date and the amount to be paid.

16. DECISIONS BY NOTEHOLDERS

16.1 Request for a decision

16.1.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

- 16.1.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 16.1.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if:
- (a) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given; or
 - (b) the suggested decision is not in accordance with applicable regulations.
- 16.1.4 The Agent shall not be responsible for the content of a notice for a Noteholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 16.1.5 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the convening Noteholder(s) with the information available in the Debt Register in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Noteholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 16.1.6 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.2 (*Convening of Noteholders' Meeting*) or instigate a Written Procedure by sending communication in accordance with Clause 16.3 (*Instigation of Written Procedure*). After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.2. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.
- 16.1.7 Should the Issuer or any Noteholder(s) convene a Noteholders' Meeting or instigate a Written Procedure pursuant to Clause 16.1.5 or 16.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Noteholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

16.2 Convening of Noteholders' Meeting

- 16.2.1 The Agent shall convene a Noteholders' Meeting by way of notice to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.2.2 The notice pursuant to Clause 16.2.1 shall include:
- (a) time for the meeting;
 - (b) place for the meeting;
 - (c) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
 - (d) a form of power of attorney;

- (e) the agenda for the meeting;
 - (f) any applicable conditions precedent and conditions subsequent;
 - (g) the reasons for, and contents of, each proposal;
 - (h) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
 - (i) if a notification by the Noteholders is required in order to attend the Noteholders' Meeting, information regarding such requirement; and
 - (j) information on where additional information (if any) will be published.
- 16.2.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.
- 16.3 Instigation of Written Procedure**
- 16.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.3.2 A communication pursuant to Clause 16.3.1 shall include:
- (a) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
 - (b) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney;
 - (c) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16.3.1);
 - (d) any applicable conditions precedent and conditions subsequent;
 - (e) the reasons for, and contents of, each proposal;
 - (f) if a proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
 - (g) if the voting is to be made electronically, the instructions for such voting; and
 - (h) information on where additional information (if any) will be published.
- 16.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clauses 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.
- 16.3.4 The Agent may, during the Written Procedure, provide information to the Issuer by way of updates whether or not quorum requirements have been met and about the eligible votes received by the Agent,

including the portion consenting or not consenting to the proposal(s) or refraining from voting (as applicable).

16.4 Majority, quorum and other provisions

16.4.1 Only a Noteholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 7 (*Right to act on behalf of a Noteholder*) from a Noteholder:

- (a) on the Record Date specified in the notice pursuant to Clause 16.2.2, in respect of a Noteholders' Meeting, or
- (b) on the Record Date specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount. Each whole Note entitles to one vote and any fraction of a Note voted for by a person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

16.4.2 The following matters shall require the consent of Noteholders representing at least seventy-five (75) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:

- (a) a change to the terms of Clauses 2.1, 3.1, 14.1 or 15.1;
- (b) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 16.4 (*Majority, quorum and other provisions*);
- (c) reduce the Interest Rate (other than as a result of an application of Clause 18 (*Base Rate replacement*)) or the Nominal Amount; and
- (d) a redemption of the Notes, other than as permitted by these Terms and Conditions (which for the avoidance of doubt shall always be subject to the Applicable Capital Regulations and Clause 12.5 (*Consent from the Swedish FSA*)).

16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a) or (c)).

16.4.4 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.

16.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

16.4.6 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant

proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Noteholders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Noteholders' Meeting or Written Procedure.

- 16.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 16.4.8 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Notes (irrespective of whether such person is a Noteholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that vote in respect of the proposal at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable (such time period to be no less than ten (10) Business Days).
- 16.4.10 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Noteholders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Noteholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 16.4.13 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Noteholders) may, subject to the prior written consent of the Swedish FSA (to the extent required pursuant to Applicable Capital Regulations), agree to amend the Finance Documents or waive any provision in a Finance Document, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Noteholders as a group;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required by applicable law, a court ruling or a decision by a relevant authority, including but not limited to, to facilitate any measure by the relevant regulator pursuant to the Swedish Resolutions Act (*lag (2015:1016) om resolution*);
 - (d) is required by the Swedish FSA for the Notes to satisfy the requirements or Additional Tier 1 Capital under the Applicable Capital Regulations as applied by the Swedish FSA from time to time;

- (e) is necessary for the purpose of having the Notes admitted to trading on the corporate bond list of a Regulated Market, provided that such amendment or waiver does not materially adversely affect the rights of the Noteholders;
 - (f) is made pursuant to Clause 18 (*Base Rate replacement*); or
 - (g) has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).
- 17.2 The Issuer may substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with Clause 12.4 (*Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) in relation to the Qualifying Securities so substituted or varied.
- 17.3 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 17.4 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 17.1 and 17.2, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 13.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 17.5 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

18. BASE RATE REPLACEMENT

18.1 General

- 18.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Noteholders in accordance with the provisions of this Clause 18 shall at all times be made by such Independent Adviser, the Issuer or the Noteholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.
- 18.1.2 If a Base Rate Event has occurred, this Clause 18 shall take precedence over the fallbacks set out in paragraph (b) to (d) (inclusive) of the definition of STIBOR.
- 18.1.3 Notwithstanding any provision in this Clause 18, no Successor Base Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the Terms and Conditions will be made pursuant to this Clause 18, if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to lead to a disqualification of the Notes from the Additional Tier 1 Capital of the Issuer or the Issuer Consolidated Situation, whether on a solo, group or consolidated basis.

18.2 Definitions

In this Clause 18:

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (b) if paragraph (a) above is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value from one party to another as a result of a replacement of the Base Rate and is customarily applied in comparable debt capital market transactions.

“**Base Rate Amendments**” has the meaning set forth in Clause 18.3.4.

“**Base Rate Event**” means one or several of the following circumstances:

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Noteholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (*krishanteringsregelverket*) containing the information referred to in paragraph (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in paragraphs (b) to (e) above will occur within six (6) months.

“**Base Rate Event Announcement**” means a public statement or published information as set out in paragraph (b) to (e) of the definition of Base Rate Event that any event or circumstance specified therein will occur.

“**Independent Adviser**” means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

“**Relevant Nominating Body**” means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Council (*Finansiella stabilitetsrådet*) or any part thereof.

“**Successor Base Rate**” means:

- (a) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of debt instruments with similar interest rate terms as the Notes, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body; or
- (b) if there is no such rate as described in paragraph (a) above, such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply *mutatis mutandis* to such new Successor Base Rate.

18.3 Base Rate determination, Adjustment Spread and Base Rate Amendments

18.3.1 Without prejudice to Clause 18.3.2 below, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the

occurrence of the relevant Base Rate Event at the Issuer's expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 18.3.2 below.

- 18.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer's expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating, and finally deciding the applicable Base Rate.
- 18.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 18.3.2 above, the Noteholders shall, if so decided at a Noteholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in Clause 18.3.2. If an event of default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 18.3 to 18.6, the Agent (acting on the instructions of the Noteholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.
- 18.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").
- 18.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

18.4 Interim measures

- 18.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:
- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
 - (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- 18.4.2 For the avoidance of doubt, Clause 18.4.1 above shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 18. This will however not limit the application of Clause 18.4.1 above for any subsequent Interest Periods, should all relevant actions provided in this Clause 18 have been taken, but without success.

18.5 Notices etc.

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Issuing Agent and the Noteholders in accordance with Clause 24 (*Notices*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Notes are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

18.6 Variation upon a Base Rate replacement

- 18.6.1 No later than giving the Agent notice pursuant to Clause 18.5 (*Notices etc.*), the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 18.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 18. The Successor Base Rate the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Noteholders.
- 18.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 18.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Noteholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 18.
- 18.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 18. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

18.7 Limitation of liability for the Independent Adviser

Any Independent Adviser appointed pursuant to Clause 18.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

19. THE AGENT**19.1 Appointment of the Agent**

- 19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 Duties of the Agent

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill. The Agent is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Agent does not bind the Noteholders or the Issuer.
- 19.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 19.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 19.2.5 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, (ii) the financial condition of the Issuer and the Group, or (iii) whether any other event specified in any Finance Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 19.2.6 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.7 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 19.2.8 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.7.
- 19.2.9 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of a breach of the Terms and Conditions, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to a breach of the Terms and Conditions or may lead to a bankruptcy or liquidation of the Issuer, (ii) in connection with any Noteholders' Meeting or Written Procedure, (iii) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents, or (iv) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).
- 19.2.10 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.

19.3 Limited liability for the Agent

- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 16 (*Decisions by Noteholders*).
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

19.4 Replacement of the Agent

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20. THE ISSUING AGENT

20.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.

20.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Notes.

20.3 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

21. THE CSD

21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.

21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or any admission to trading of the Notes. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

22. NO DIRECT ACTIONS BY NOTEHOLDERS

22.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.7, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.8 before a Noteholder may take any action referred to in Clause 22.1.

22.3 The provisions of Clause 22.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due by the Issuer to some but not all Noteholders.

22.4 The provisions of this Clause 22 (*No direct actions by the Noteholders*) are subject to the over-riding limitations set out in Clause 3 (*Status of the Notes*).

23. TIME-BAR

- 23.1 The right to receive repayment of the principal of the Notes shall be time-barred and become void ten (10) years from the Redemption Date. Subject to Clause 10 (*Interest and interest cancellation*), the right to receive payment of interest (excluding any capitalised interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been time-barred and has become void.
- 23.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

24. NOTICES

- 24.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch, or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch, or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (c) if to the Noteholders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Noteholders. A notice to the Noteholders shall also be published on the website of the Issuer and the Agent.
- 24.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective:
- (a) in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1;
 - (b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1; or
 - (c) in case of email, when received in readable form by the email recipient,
- any such notice shall be made in English.
- 24.3 Any notice or other communication pursuant to the Finance Documents shall be in English.
- 24.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

25. FORCE MAJEURE

- 25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

- 25.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 25.3 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

26. GOVERNING LAW AND JURISDICTION

- 26.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection herewith, shall be governed by and construed in accordance with the laws of Sweden.
- 26.2 The Issuer submits to the non-exclusive jurisdiction of the District Court of Stockholm (*Stockholms tingsrätt*).
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ADDRESSES

The Issuer

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