



Landshypotek Bank

LANDSHYPOTEK BANK AB (publ)

€10,000,000,000

## Nordic Medium Term Note and Covered Bond Programme

Under this €10,000,000,000 Nordic Medium Term Note and Covered Bond Programme (the **Programme**), Landshypotek Bank AB (publ) (the **Issuer**) may from time to time issue medium term notes (the **Notes**) and covered bonds issued in accordance with the Swedish Act on Issuance of Covered Bonds (as defined below) (the **Covered Bonds**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

This base prospectus (the **Base Prospectus**) has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the **SFSA**) pursuant to Article 20 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Base Prospectus is correct and complete. The SFSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes and/or the Covered Bonds that are subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes and/or the Covered Bonds.

The Notes and Covered Bonds will be issued in registered, uncertificated and dematerialised book-entry form and (a) registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be Verdipapirsentralen ASA, trading as *Euronext Securities Oslo* (respectively, the **VPS** and the **VPS Notes** or **VPS Covered Bonds**, as the case may be) or (b) registered in the Swedish Central Securities Depository and Clearing Organisation Euroclear Sweden AB (respectively, **Euroclear Sweden** and the **ES Notes** or **ES Covered Bonds**, as the case may be). The Notes may be issued on a senior preferred basis (**Senior Preferred Notes**), on a senior non-preferred basis (**Senior Non-Preferred Notes**) or on a subordinated basis (**Subordinated Notes**), as specified in out in a final terms document (the **Final Terms**). Any reference to **Notes** shall mean any ES Notes or VPS Notes and any reference to **Covered Bonds** shall mean any ES Covered Bonds or VPS Covered Bonds. Additionally, any reference to **Noteholders** shall mean the holders of any Notes and any reference to **Covered Bondholders** shall mean the holders of any Covered Bonds.

The maximum aggregate nominal amount of all Notes and Covered Bonds from time to time outstanding under the Programme will not exceed €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (as defined under "*Subscription and Sale*")), subject to increase as described therein. This Base Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Base Prospectus.

The Notes and Covered Bonds may be issued on a continuing basis to the Initial Dealers specified under "*Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes or Covered Bonds being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes or Covered Bonds.

An investment in Notes or Covered Bonds issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

In respect of any Tranche (as defined herein) of Notes or Covered Bonds issued under the Programme, notice of the aggregate nominal amount of such Notes or Covered Bonds, interest (if any) payable in respect of such Notes or Covered Bonds, the issue price of such Notes or Covered Bonds and certain other information which is applicable to such Tranche will be set out in the applicable Final Terms which will be filed with the Swedish Financial Supervisory Authority (SFSA) and Nasdaq Stockholm (operated by Nasdaq Stockholm AB). Final Terms relating to Notes and Covered Bonds to be listed on Nasdaq Stockholm will be published on the website of Nasdaq Stockholm ([www.nasdaqomxnordic.com/](http://www.nasdaqomxnordic.com/)).

This Base Prospectus was approved by the SFSA on 3 June 2024. This Base Prospectus is valid for twelve (12) months after the date of its approval, provided that it is supplemented as required by Article 23 of the Prospectus Regulation. The obligation to supplement this Base Prospectus in the event of any significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid.

*Arranger*

Swedbank

*Initial Dealers*

Handelsbanken

SEB

DNB Markets

Nordea

Danske Bank

Swedbank

### IMPORTANT INFORMATION

This Base Prospectus comprises a Base Prospectus in respect of all Notes and Covered Bonds issued under the Programme for the purposes of Article 8 of the EU Prospectus Regulation. The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes and Covered Bonds issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect its import. This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or any Notes or Covered Bonds. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or any Notes or Covered Bonds. No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes or Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes or Covered Bonds should purchase any Notes or Covered Bonds. Each investor contemplating purchasing any Notes or Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes or Covered Bonds constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes or Covered Bonds. Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes or Covered Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes or Covered Bonds of any information coming to their attention. Investors should review, *inter alia*, the most recently published financial statements of the Issuer incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes or Covered Bonds.

**IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES AND COVERED BONDS GENERALLY** – The Notes and Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes and Covered Bonds may not be offered, sold or delivered within the United States or to U.S. persons (see "*Subscription and Sale*" below). Notes or Covered Bonds denominated in Norwegian Kroner may not be offered, sold or delivered in Norway to or for the benefit of persons domiciled in Norway, unless in compliance with the regulations relating to the offer of VPS Notes or VPS Covered Bonds and the registration of VPS Notes or VPS Covered Bonds in the VPS (see "*Subscription and Sale*" below).

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes or Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes and Covered Bonds may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes or Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or any of the Dealers which would permit a public offering of any Notes or Covered Bonds or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes or Covered Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes or Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes or Covered Bonds. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes and Covered Bonds in the United States, the European Economic Area (including Sweden and Norway), and the United Kingdom (see "*Subscription and Sale*" below).

The Notes or Covered Bonds may not be a suitable investment for all investors. Each potential investor in the Notes or Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes or Covered Bonds, the merits of and risks of investing in the Notes or Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement; (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes or Covered Bonds and the impact the Notes or Covered Bonds will have on its overall investment portfolio; (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or Covered Bonds, including Notes or Covered Bonds where the currency for principal or interest payments is different from currency in which such investor's financial activities are principally denominated; (iv) understands thoroughly the terms of the Notes or Covered Bonds and is familiar with the behaviour of financial markets; and (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

**IMPORTANT – PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA RETAIL INVESTORS** – If the applicable Final Terms includes a legend entitled "Prohibition of Sales to European Economic Area Retail Investors", the Notes or Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the EU PRIIPs Regulation) for offering or selling the Notes or Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**MiFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Tranche of Notes or Covered Bonds may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes or Covered Bonds and which channels for distribution of the Notes or Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Notes or Covered Bonds (a distributor) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes or Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made at the time of each issue whether, for the purposes of the MiFID II Product Governance rules under Commission Delegated Directive (EU) 2017/593 (as amended, the MiFID II Product Governance Rules), any Dealer subscribing for any Notes or Covered Bonds is a manufacturer in respect of such Notes or Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

**BENCHMARKS REGULATION** – Amounts payable under the Notes or Covered Bonds may be calculated by reference to EURIBOR, STIBOR or NIBOR (each as defined in the terms and conditions of the Notes and Covered Bonds), as specified in the applicable Final Terms, which are provided by the European Money Markets Institute (EMMI) (in the case of EURIBOR), the Swedish Financial Benchmark Facility (the SFBF) (in the case of STIBOR) and Norske Finansielle Referanser AS (NoRe) (in the case of NIBOR). As at the date of this Base Prospectus, EMMI (as administrator of EURIBOR), the SFBF (as administrator of STIBOR) and NoRe (as administrator of NIBOR) are included on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (as amended, the EU Benchmarks Regulation).

**RATINGS** – As at the date of this Base Prospectus, the long-term/short-term ratings of the Issuer are A/F1 by Fitch Ratings Ireland Limited (Fitch) and A/A-1 by S&P Global Ratings, acting through S&P Global Ratings Europe Limited (S&P). The Programme has the following ratings from S&P: A (Senior Preferred Notes and Senior Preferred VPS Notes with a maturity of one year or more); A-1 (Senior Preferred Notes and Senior Preferred VPS Notes with a maturity of less than one year); BBB+ (Senior Non-Preferred Notes and Senior Non-Preferred VPS Notes); BBB (Subordinated Notes and Subordinated VPS Notes); and AAA/Stable/A-1+ (ES Covered Bonds and VPS Covered Bonds with a maturity of one year or more). Please refer to the "General Information" section herein for an explanation of these ratings. Both Fitch and S&P are established in the European Union (the EU), have been registered under Regulation (EC) No 1060/2009 (as amended, the EU CRA Regulation) and are included in the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the EU CRA Regulation.

Notes and Covered Bonds issued pursuant to the Programme may be rated or unrated. Where a Tranche of Notes or Covered Bonds is rated, such rating will be specified in the applicable Final Terms. The rating of any Tranche of Notes or Covered Bonds will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**PRESENTATION OF INFORMATION** – All references in this document to Swedish krona and to SEK refer to the currency of the Kingdom of Sweden (Sweden) and to NOK or Norwegian Kroner refer to the currency of the Kingdom of Norway (Norway). In addition, all references to Sterling and £ refer to pounds sterling and to euro and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

**USE OF WEBSITES** – Any references to websites or uniform resource locators (URLs) in this Base Prospectus, except for websites where information incorporated by reference in this Base Prospectus may be accessed, are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Base Prospectus and has not been scrutinised or approved by the competent authority.

**TABLE OF CONTENTS**

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TABLE OF CONTENTS .....	4
DESCRIPTION OF THE PROGRAMME .....	5
RISK FACTORS .....	14
DOCUMENTS INCORPORATED BY REFERENCE.....	36
FORM OF THE NOTES AND FORM OF THE COVERED BONDS.....	38
FORM OF FINAL TERMS .....	39
TERMS AND CONDITIONS OF THE ES NOTES .....	53
TERMS AND CONDITIONS OF THE VPS NOTES.....	78
TERMS AND CONDITIONS OF THE ES COVERED BONDS.....	110
TERMS AND CONDITIONS OF THE VPS COVERED BONDS .....	125
OVERVIEW OF THE SWEDISH LEGISLATION REGARDING COVERED BONDS .....	148
USE OF PROCEEDS.....	153
INFORMATION RELATING TO THE ISSUER .....	156
BOARD OF DIRECTORS AND MANAGEMENT .....	160
TAXATION.....	162
SUBSCRIPTION AND SALE.....	164
GENERAL INFORMATION .....	167
ADDRESSES.....	171

## DESCRIPTION OF THE PROGRAMME

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*The following description is an overview and does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes or Covered Bonds, the applicable Final Terms. Words and expressions defined in "Form of the Notes" and "Form of the Covered Bonds", "Terms and Conditions of the ES Notes", "Terms and Conditions of the VPS Notes", "Terms and Conditions of the ES Covered Bonds" and "Terms and Conditions of the VPS Covered Bonds" below shall have the same meanings in this overview.*

<b>Issuer:</b>	Landshypotek Bank AB (publ).
<b>Legal entity identifier (LEI):</b>	5493004WUGGU2BQI7F14.
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes and Covered Bonds issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the risks associated with the terms, structure and features of any Tranche of Notes or Covered Bonds issued under the Programme. These are set out under "Risk Factors" below.
<b>Description:</b>	Nordic Medium Term Note and Covered Bond Programme.
<b>Arranger:</b>	Swedbank AB (publ).
<b>Initial Dealers:</b>	Svenska Handelsbanken AB (publ), Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Danske Bank A/S, DNB Bank ASA, Sweden Branch and Swedbank AB (publ).
<b>Dealers:</b>	The Initial Dealers and any other Dealers appointed in accordance with the Programme Agreement.
<b>Status of the Notes:</b>	<p>Senior Preferred Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations and Senior Non-Preferred Liabilities, if any) of the Issuer, from time to time outstanding.</p> <p>Senior Non-Preferred Notes will constitute unsubordinated and unsecured obligations with Senior Non-Preferred Ranking of the Issuer. In the event of the voluntary or involuntary liquidation (<i>likvidation</i>) or bankruptcy (<i>konkurs</i>) of the Issuer, the claims of holders of Senior Non-Preferred Notes shall rank: (i) <i>pari passu</i> without any preference among themselves; (ii) <i>pari passu</i> with the rights of holders of all other Senior Non-Preferred Liabilities of the Issuer; (iii) senior to the rights of holders of any subordinated obligation of the Issuer, including any subordinated obligation of the Issuer which constitutes, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital or any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument, which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities of the Issuer; (iv) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and (v) junior in right of payment to any present or future claims of (a) depositors of the Issuer, and (b) other unsubordinated creditors of the Issuer (including holders of Senior</p>

Preferred Notes) that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer.

Subordinated Notes will constitute subordinated and unsecured obligations of the Issuer. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the claims of holders of Subordinated Notes shall be subordinated to the claims of other creditors to the extent described in Condition 2(c) of each of the Terms and Conditions of the ES Notes and the Terms and Conditions of the VPS Notes.

**Waiver of Set-Off:**

No Noteholder, who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be 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 the Senior Preferred Notes, Senior Non-Preferred Notes and the Subordinated Notes held by such Noteholder.

**Status of Covered Bonds:**

Covered Bonds are issued on an unsubordinated basis and in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (*lagen (2003:1223) om utgivning av säkerställda obligationer*), as amended from time to time and most recently in 2022 (the **Swedish Act on Issuance of Covered Bonds**). As such they have the benefit of priority of claim to a cover pool of certain registered eligible assets upon bankruptcy of the Issuer. See also "Overview of the Swedish Legislation Regarding Covered Bonds" on pages 148 to 152 below.

**Certain Restrictions:**

Each issue of Notes or Covered Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale").

**Issuing Agent:**

For any Series of ES Notes or ES Covered Bonds, the Issuer will appoint an issuing agent (*administrerande institut*), specifically authorised by Euroclear Sweden, to process and register issues in Euroclear Sweden, in connection with the issue of such Series of ES Notes or ES Covered Bonds (as applicable), as specified in the applicable Final Terms.

**VPS Agent:**

DNB Bank ASA.

**VPS Trustee:**

Nordic Trustee AS.

**Programme Size:**

Up to €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) in nominal amount of all Notes and Covered Bonds outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

**Distribution:**

Notes or Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

**Currencies:**

Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

<b>Maturities:</b>	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to compliance with all relevant laws, regulations and directives.
<b>Issue Price:</b>	Notes and Covered Bonds may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes and Covered Bonds:</b>	<p>The ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds will be issued in registered, uncertificated and dematerialised book-entry form and will not be evidenced by any physical note or document of title.</p> <p>Entitlements to ES Notes or ES Covered Bonds will be evidenced by book entries in the register for such Notes kept by Euroclear Sweden on behalf of the Issuer.</p> <p>Entitlements to VPS Notes or VPS Covered Bonds will be evidenced by the crediting of VPS Notes or VPS Covered Bonds to accounts with the VPS.</p> <p>The applicable Final Terms will state whether or not the relevant Notes or Covered Bonds are to be ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds.</p>
<b>Fixed Rate Notes and Covered Bonds:</b>	Fixed interest will be payable on such date or dates as set out in the relevant Final Terms, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Fixed Reset Notes:</b>	Fixed Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms by reference to a mid-market swap rate for the relevant Specified Currency, and for a period equal to the reset period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms.
<b>Floating Rate Notes and Covered Bonds:</b>	<p>Floating Rate Notes and Floating Rate Covered Bonds will bear interest at a rate determined on the basis of the reference rate set out in the applicable Final Terms.</p> <p>The margin (if any) relating to such floating rate will be set out in the relevant Final Terms for each Series of Floating Rate Notes or Floating Rate Covered Bonds.</p> <p>Floating Rate Notes and Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>
<b>Benchmark Replacement:</b>	In the event that a Benchmark Event occurs in relation to a Mid Swap Rate or a Reference Rate (as applicable) when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Mid Swap Rate or Reference Rate (as applicable), the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view

to such Independent Adviser determining a Successor Rate, failing which an Alternative Benchmark Rate and, in either case, an Adjustment Spread, if any, as described in each of the Terms and Conditions of the ES Notes, Terms and Conditions of the VPS Notes, Terms and Conditions of the ES Covered Bonds or Terms and Conditions of the VPS Covered Bonds.

**Zero Coupon Notes and Zero Coupon Covered Bonds:**

Zero Coupon Notes and Zero Coupon Covered Bonds will be offered and sold at a discount, at par or at premium to their nominal amount and will not bear interest.

**Redemption:**

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Early redemption of the Senior Preferred Notes and Senior Non-Preferred Notes (other than following an Event of Default) will only be permitted to the extent specified in the applicable Final Terms (including, where so specified, upon the occurrence of a MREL Disqualification Event or a Tax Event). If required under applicable law or regulation, no such early redemption or purchase of Senior Preferred Notes or Senior Non-Preferred Notes may be made without the prior consent of the Swedish National Debt Office (*Riksgäldskontoret*) (in its capacity as resolution authority) or any successor or replacement thereto and/or such other authority which has the primary responsibility for the prudential oversight and supervision of the Issuer or the Landshypotek Consolidated Situation, as the case may be, under the Applicable MREL Regulations. In certain circumstances, as an alternative to exercising any right to redeem Senior Preferred Notes or Senior Non-Preferred Notes in advance of their scheduled maturity, the Issuer may be entitled to substitute or vary the terms of Senior Preferred Notes or Senior Non-Preferred Notes so that they remain, or become, Senior Preferred Qualifying Securities or Senior Non-Preferred Qualifying Securities (as applicable), as provided in Condition 7(l) of each of the Terms and Conditions of the ES Notes and the Terms and Conditions of the VPS Notes.

Early redemption of the Subordinated Notes (other than following an Event of Default) will only be permitted to the extent specified in the applicable Final Terms (including, where so specified, upon the occurrence of a Capital Event or a Tax Event). No such early redemption or purchase of Subordinated Notes may be made without the prior consent of the SFSA. In certain circumstances, as an alternative to exercising any right to redeem Subordinated Notes in advance of their scheduled maturity, the Issuer may be entitled to substitute or vary the terms of Subordinated Notes so that they remain, or become, Subordinated Qualifying Securities, as provided in Condition 7(l) of each of the Terms and Conditions of the ES Notes and the Terms and Conditions of the VPS Notes.



Early redemption of Covered Bonds will only be permitted to the extent specified in the applicable Final Terms and subject to applicable laws and regulations.

**Events of Default:**

If any of the limited events described in Condition 8 of each the Terms and Conditions of the ES Notes or the Terms and Conditions of the VPS Notes occurs (namely non-payment or certain events relating to the insolvency or liquidation of the Issuer), the Noteholders shall only be entitled to institute proceedings for the Issuer to be declared bankrupt or its winding-up or liquidation and prove or claim in the bankruptcy or liquidation of the Issuer. Holders may claim payment in respect of such Notes only in the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer.

**Extendable Obligations:**

In the case of Covered Bonds, the applicable Final Terms, may provide that Statutory Extended Final Maturity applies. In the case of a Statutory Extended Final Maturity, the Issuer has received approval from the SFSA to extend the maturity of such Covered Bonds as a result of it being deemed likely that the extension will prevent the Issuer's insolvency (a **Statutory Maturity Extension Approval**), then payment of the unpaid amount by the Issuer shall be automatically deferred until the Statutory Extended Final Maturity Date specified in the applicable Final Terms. Such deferral will occur automatically if the SFSA grants a Statutory Maturity Extension Approval in respect of the Issuer. Interest will continue to accrue on any unpaid amount at a floating rate specified in the applicable Final Terms and will be payable on each Interest Payment Date falling after the Maturity Date up to (and including) the Statutory Extended Final Maturity Date.

**Denomination of Notes and Covered Bonds:**

Notes and Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note or Covered Bonds will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note or Covered Bond will be €100,000 (or, if the Notes or Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency).

**Taxation:**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject as provided in Condition 6 of each of the Terms and Conditions of the ES Notes and the Terms and Conditions of the VPS Notes. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8 of each of the Terms and Conditions of the ES Notes and the Terms and Conditions of the VPS Notes, be required to pay additional amounts to cover the amounts so deducted.

All payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction unless the withholding or deduction of such taxes is required by law, in which case such deduction will be made by the Issuer. The Issuer will not be obliged to pay additional amounts in respect of any such deduction or withholding.

<b>Negative Pledge:</b>	The terms of the Notes and the Covered Bonds will not contain a negative pledge provision.
<b>Cross Default:</b>	<p>The terms of the Notes will not contain a cross default provision.</p> <p>The terms of the Covered Bonds will not contain a cross default provision or any other events of default.</p>
<b>Rating:</b>	<p>Each Tranche of Notes or Covered Bonds issued under the Programme will be rated or unrated. Where a Tranche of Notes or Covered Bonds is rated, such rating will be disclosed in the applicable Final Terms. The rating of any Tranche of Notes or Covered Bonds will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p>As at the date of this Base Prospectus, the Programme has been rated by S&amp;P Global Ratings, acting through S&amp;P Global Ratings Europe Limited. S&amp;P Global Ratings is established in the European Union and registered under the EU CRA Regulation. A list of EU registered Credit Rating Agencies is published on the ESMA website.</p>
<b>Euroclear Sweden and VPS procedures:</b>	<p>ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds will be issued in registered, uncertificated and dematerialised book-entry form registered in Euroclear Sweden or the VPS, as applicable. Euroclear Sweden or the VPS will maintain records of the ownership of the ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds, as applicable. ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Sweden or the VPS, as applicable. Ownership of ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds will be recorded and transfer effected only through the book-entry system and register maintained by Euroclear Sweden or the VPS, as applicable.</p> <p>The Issuer will discharge its payment obligations under ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds by making payments through Euroclear Sweden or the VPS, as applicable, and ES Noteholders, ES Covered Bondholders, VPS Noteholders and VPS Covered Bondholders must therefore rely on the procedures of Euroclear Sweden or the VPS, as applicable, to receive payments under ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds.</p>
<b>Admission to trading:</b>	<p>In connection with any issue of Notes or Covered Bonds under this Programme, an application will be made in order for the Notes or the Covered Bonds, as the case may be, to be admitted to trading on the regulated market of Nasdaq Stockholm. Notes and Covered Bonds may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer in relation to each Series.</p> <p>Notes and Covered Bonds which are neither listed nor admitted to trading on any market may also be issued.</p>

The applicable Final Terms will state whether or not the relevant Notes or Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

## **Green Bonds**

The Issuer may issue Notes or Covered Bonds towards specific projects and activities that promote sustainability and other environmental friendly purposes (**Green Bonds**) under this Programme. The Issuer has established a framework for Green Bonds dated 24 April 2018 (the **Green Bond Framework**), which is aligned with the Green Bond Principles (**GBP**) published in June 2017 by the International Capital Market Association. The Green Bond Framework is published on the Issuer's website (<https://www.landshypotek.se>). The Green Bond Framework is further described under "Use of Proceeds" below.

### **Use of proceeds**

Green Bond net proceeds will not be allocated or linked, inter alia, to fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco. The Issuer does not provide any loans to either of the above.

### **Green Asset Criteria**

The criteria for each individual asset are set based on the UN Sustainable Development Goals (**SDG**), which were adopted by the United Nations general assembly on 25 September 2015 and are categorized depending on its key components – *Sustainable Forestry*, *Renewable Energy* and *Green Buildings*. Each category and asset criteria are described under "Use of Proceeds" below.

### **Annual Review**

The Issuer's independent and internal risk management department is appointed to, at least annually, control and review that the allocations of Green Bond net proceeds are made in accordance with the Green Bond Framework.

### **Management of Proceeds**

An amount equal to the Green Bond net proceeds credits a separate account and will only support the Issuer's financing of Green Assets, or to repay a Green Bond. The proceeds in such account are kept separated from other accounts to ensure and enable separate monitoring and tracking of the Green Bonds net proceeds.

As long as Green Bonds are outstanding and the separate account has a positive balance, such positive account balance will in relation to amounts allocated to Green Assets, be adjusted at least every fiscal quarter. The Issuer will, until full allocation of such Green Bond net proceeds has taken place, in its reporting disclose the amount equal to the Green Bond net proceeds not yet allocated to Green Assets.

### **Reporting**

The Issuer will annually, and until the maturity of Green Bonds issued, provide information to investors on its website [www.landshypotek.se](http://www.landshypotek.se).

### **External Review**

The Issuer has obtained an independent second opinion from CICERO (Center for International Climate and Environmental

Research – Oslo) on the Green Bond Framework and policies for considering the environmental impacts of their projects. Based on the assessment of the project types, policies, goals and reporting standards, the Green Bond Framework has received a Dark Green shading by CICERO. The second part opinion is dated 9 April 2018, and is publicly available at The Issuer's website ([www.landshypotek.se](http://www.landshypotek.se).)

**Terms and Conditions:**

The terms and conditions applicable to each Series of Notes or Covered Bonds will be as agreed between the Issuer and the relevant Dealer at or prior to the time of issuance of the initial Tranche of such Series, and will be specified in the applicable Final Terms. The Terms and Conditions applicable to each Series of Notes will be those set out on pages 53 to 109 hereof (pages 53 to 77 in the case of ES Notes, and pages 78 to 109 in the case of VPS Notes) as completed by the applicable Final Terms. The Terms and Conditions applicable to each Series of Covered Bonds will be those set out on pages 110 to 147 hereof (pages 110 to 124 in the case of ES Covered Bonds, and pages 125 to 147 in the case of VPS Covered Bonds) as completed by the applicable Final Terms.

**Meetings of Noteholders or Covered Bondholders:**

The Terms and Conditions of the Notes and the Terms and Conditions of the Covered Bonds each contain provisions for calling meetings of Noteholders or Covered Bondholders, as the case may be, to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders and Covered Bondholders of the relevant Series of Notes or Covered Bonds including Noteholders and Covered Bondholders who did not attend and vote at the relevant meeting and Noteholders and Covered Bondholders who voted in a manner contrary to the majority.

**Governing Law:**

The Notes and Covered Bonds and any non-contractual obligations arising out of or in connection with the Notes and Covered Bonds will be governed by, and shall be construed in accordance with, Swedish law, save for Conditions 11, 12 and 13 of the Terms and Conditions of the VPS Notes and Conditions 10, 11 and 12 of the Terms and Conditions of the VPS Covered Bonds, which will be governed by, and construed in accordance with Norwegian law.

The registration of the ES Notes and ES Covered Bonds in the book-entry system and register maintained by Euroclear Sweden are governed by Swedish law and ES Noteholders and ES Covered Bondholders will be entitled to the rights and are subject to the obligations and the liabilities which arise under the relevant Swedish regulations and legislation.

VPS Notes and VPS Covered Bonds must comply with the Norwegian Securities Depository Act of 15 March 2019 no. 6, as amended from time to time, and the VPS Noteholders and VPS Covered Bondholders will be entitled to the rights and are subject to the obligations and the liabilities which arise under the Swedish Act on Issuance of Covered Bonds and any related regulations and legislation, including the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes and Covered Bonds in the United States, the European Economic Area (including Sweden and Norway), and the United Kingdom. See

*"Subscription and Sale"*. Certain other restrictions may apply in connection with the offering and sale of a particular Tranche of Notes and Covered Bonds.

## **RISK FACTORS**

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*In this section, material risk factors are illustrated and discussed, including economic and market risks, risks relating to the Issuer's business and legal and regulatory risks, as well as risks related to the structure of a particular issue of Notes or Covered Bonds, risks related to Notes and Covered Bonds generally and risks related to the market generally. 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 Base Prospectus. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including the documents incorporated by reference, and reach their own views prior to making any investment decision.*

*The risk factors are presented in categories where the most material risk factors in a category are 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.*

*Words and expressions defined in "Terms and Conditions of the ES Notes", "Terms and Conditions of the VPS Notes", "Terms and Conditions of the ES Covered Bonds" and "Terms and Conditions of the VPS Covered Bonds" below shall have the same meanings in this section.*

### **RISKS RELATING TO THE ISSUER**

#### **Economic and market risks**

##### ***Risks relating to the Swedish mortgage market***

Since 2017, the Issuer's operations include lending to the Swedish residential mortgage market. Since April 2022, the Swedish central bank has raised the policy rate from 0.00 per cent. to a peak of 4.00 per cent. As of the date of this Base Prospectus, the policy rate is at 3.75 per cent. The Swedish central bank has communicated that inflation is in the process of stabilising at the target level, but inflationary pressures are still somewhat elevated and that the policy rate can be cut in May or June 2024 if inflation prospects remain favourable. Although the housing prices declined in Sweden during 2022 following the increase in inflation and interest rates, the housing prices were largely stable during 2023 and in the first quarter of 2024. The decrease in housing prices, coupled with the plummeting of real wages for homeowners with large mortgages, may cause the demand for the Issuer's offerings of loans in the Swedish residential mortgage market to drop, as households' purchasing power has been significantly eroded. Moreover, with regard to new homes, there has been an increase of newly built multi-family dwellings during the last few years, which is why that particular market segment could be subject to less demand in upcoming years, which could have a further negative impact on the housing market. In fact, rising mortgage rates, in combination with falling prices on the secondary housing market, quickly caused the demand to decrease in the autumn of 2022 and the low demand continued throughout 2023, with the result that the supply of newly produced housing has been greater than the actual demand (i.e. willingness to pay). At present, indicators of such reduced demands suggest a marked decline in housing construction in 2023, which may continue throughout 2024. The construction industry is characterised by large economic fluctuations and there are currently no signs that the current downturn would differ significantly from previous major economic downturns. Nonetheless, there is a risk that the Swedish housing market could decline for a longer period. If the Swedish housing market were to face a prolonged decline, and the demand for new loans, as a consequence, were to significantly decrease, this would negatively affect the demand for the Issuer's offerings of loans in the Swedish residential mortgage market, and thereby adversely affecting the Issuer's business, results of operations and margins.

Moreover, house prices may also be negatively affected by, for example, changes in regulations affecting the Swedish mortgage market directly or indirectly or by a quick rise in interest rates or unemployment levels. Legal requirements such as further increased amortisation requirements or stricter caps on loan-to-value levels, may have an adverse effect on house prices and contribute to a reduction in lending growth. More restrictive regulations or tightening of monetary policies that hold back house price development would further accentuate the risk of decreased demand for new loans in general, including loans that could be originated by the Issuer. The degree to which a decline in Swedish housing market may affect the Issuer is uncertain and presents a highly significant risk to the Issuer's credit quality, financial condition and results of operations.

##### ***Risks relating to the Swedish agriculture and forestry market***

The Issuer's core business is to offer mortgage loans to customers in the farming and forestry sector and to customers living on farms, which as of 31 December 2023 represented SEK 79,3 million of the Issuer's credit portfolio (approximately 75 per cent of its total lending). The Issuer and its borrowers are therefore impacted by the trends and conditions in the agriculture and forestry sectors. Farmers have faced challenges due to high energy

prices and the global political climate, such as the export restrictions on agricultural products by the Russian Federation, China and other nations. Farmers have also been affected by considerably lower harvest quality than usual in many parts of the country as well as the inflation and higher interest rates, which have led to a greater uncertainty in the market in general and that farmers have been more reluctant to make investments in their businesses. These trends and conditions may cause the demand for the Issuer's offering of loans to farmers and forestry owners to drop.

Furthermore, international rules and agreements regarding agricultural policy – such as the Common Agricultural Policy (the CAP), World Trade Organization (WTO) etc. – could have an impact on the credit quality of the Issuer's customers in a long-term horizon, due to a change to the level of state granted supports to that particular business or land type. The Issuer and its borrowers are further exposed to risks due to the global climate change and political changes and decisions affecting the agriculture and forestry markets, including (but not limited to) restrictions on pesticides and plant breeding.

Agricultural business is a highly energy-intensive, directly through fuel and energy use as well as indirectly through the use of fertilisers etc. An underlying situation with low global stock levels in the past three seasons has also contributed to relatively high grain and oilseed prices. It is likely that demand of assets related to animal production will be less. In what way borrowers' assets in the short term will be affected by the conflict, developments on agricultural and forest markets is uncertain.

Furthermore, in accordance with changes in market prices, the prices for agriculture, forestry assets and input goods, including higher energy prices and freight costs, will vary over time. For example, there is a risk that storms and extensive bark beetle infestations causes damage to the forests and in turn an increase of the supply for forest raw materials, which in combination with weaker demand is likely to negatively affect the market balance. Further demand has risen for several input goods following the easing of pandemic restrictions and there is a risk that the previous lower production rate, together with logistical problems, causes lower availability of several input goods and rising prices. In particular, prices have risen for energy, fertilisers and feed, which has mainly affected animal production which will have a negative effect on the borrowers' assets and therefore ultimately affect the Issuer. If the market value for a forest produced commodity, such as pulpwood, is materially reduced there is a risk that the forestry asset which the commodity derives from similarly will decrease in value, which will have a negative effect on the borrowers' assets and therefore ultimately affect the Issuer. Political uncertainty globally, volatile agriculture policy, climate change challenges, new regulations and fluctuations in market prices for forestry and agricultural commodities and input goods may adversely affect the Swedish agriculture and forestry market and in turn the Issuer's business and results of operations.

### ***Risks relating to disruptions in the global credit markets and economy***

As a financial institution and lender, the Issuer is subject to risks related to the performance of the global, and in particular the Nordic, credit markets and economy, since financial institutions, both in Sweden and globally, are dependent on the global credit market and economy being strong, so that people are willing and able to take up loans. Any disruption or downturn in the global credit markets and economy would typically thus affect the Issuer, both in respect of financial performance and growth possibilities. Any downturn in the economy together with an increase in unemployment levels would contribute to slower growth in household disposable income and thereby accentuate these risks. As a result, the Issuer may also be affected by, for example, war in neighbouring countries, rising energy prices and public health epidemics or outbreaks of diseases that may negatively affect the global or domestic economy. Rapid and forceful measures, such as sanctions, trade restrictions and shutdowns, can lead to significant supply and demand disruptions, and result in rapidly changing prices and changes in pace of economic development. Such events can also result in substantial movements in the financial markets in the form of, for example, increases or decreases in interest rates, rising credit spreads and volatile and falling stock markets. Ultimately, the long-term economic consequences, including consequences on the financial markets in general and the Issuer in particular, depend on the duration of the relevant crisis and measures taken by governments, central banks and other agencies.

Furthermore, the current conflict in the Middle East has caused disruptions in various markets and led to uncertainty regarding the macroeconomic developments. The degree to which macro-economic and political factors may affect the Issuer is uncertain and presents a significant risk to its access to financing and funding costs, which in turn could have a negative impact on the Issuer's financial position and earnings.

Moreover, Sweden, being a small economy dependent on exports, is largely dependent on the development of the global economy and the global financial markets. This means that although the Swedish economy, in isolation, would perform well, a negative development in the global economy normally influences the Swedish economy in such a manner that the Swedish economy also develops negatively. Any sustained decline in the general economic

conditions of Sweden is, given the Issuer's dependency on the same, likely to lead to, among other things, a decrease in the demand for loans offered by the Issuer, increased cost of funding, volatile fair values of the financial instruments held by the Issuer, a decrease in net interest income and net interest margin, and increased loan impairment charges, all of which would result in lower profitability and a deteriorated financial position. 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 the Issuer's collateral***

The Issuer's loans are secured by mortgage certificates (*pantbrev*) in properties located in Sweden as collateral. Consequently, the Issuer's credit risk, and the value of such collateral, is related to the performance of the real estate and agricultural and forestry market in Sweden. There can be no guarantees regarding the future development of the value of the collateral. Should the prices of real property and the agricultural and forestry market substantially decline, for example due to circumstances explained under this category "Economic and market risks", this would affect the Issuer, as the value of the collateral would decline. Furthermore, when collateral is enforced, a court order may be needed to establish the borrower's obligation to pay and to enable a sale by execution measures. The Issuer's ability to enforce the collateral without the consent of the borrower is thus dependent on the above-mentioned decisions from a court and the execution measures and on other relevant circumstances in the mortgage market and in the demand for the relevant real property. If the Issuer's credit losses increase due to the fact that principal and interest under defaulting loans cannot be recovered where the relevant collateral has decreased in value, this would have a negative impact on the Issuer's result of operations.

### ***Systemic risk***

Although the Swedish mortgage market is currently dominated by a few institutions, consisting of banks and bank-owned mortgage companies, new competitors have appeared in recent times. Due to increased competition amongst lenders, the Issuer's business would face declining earnings should the Issuer, for example, be required to reduce interest levels in order to keep market shares, thereby adversely affecting its margins. Furthermore, due to the high level of interdependence between financial institutions, the Issuer is also subject to the risk of deterioration of the actual or perceived commercial and financial soundness of other financial institutions. Any default or financial difficulties of one financial institution is likely to have negative consequences for other financial institutions and would lead to liquidity problems, losses, defaults or worsening of the general economic climate in the local markets in which the Issuer operates. This means that the Issuer is subject to risks related to the banking sector as such, and risks related to other financial institutions.

### ***Risks relating to the Issuer's business and industry***

#### ***Credit risk***

Since the Issuer conducts lending operations, credit risk is central to the Issuer's business model and is considered to be the dominant risk in its operations. Credit risk arises both in the Issuer's lending operation and its treasury operations.

Credit risk in the Issuer's operations arises if one or more borrowers do not fulfil their payment obligations towards the Issuer, and is thus associated with borrowers' creditworthiness, their ability to pay under the mortgage loan and the value of the mortgaged properties. Credit risk also arises in conjunction with loans and loan commitments as well as in connection with value changes in pledged assets entailing that these no longer cover the Issuer's claim (i.e. within the ordinary course of the Issuer's business). Credit risk also includes concentration risk, being risks related to large (connected) individual exposures and significant exposures to groups of counterparts whose likelihood of default is driven by common underlying factors, e.g. sector, economy, geographical location or instrument type. Should any such credit risk materialise, there is a risk of an increase in the number of loans not being paid. It would also require the Issuer to take measures to collect such defaulted loans, which might be costly and unsuccessful.

Counterparty risk arises if the value of the instrument changes resulting from variations, for example, interest rates or currency exchange rates, which means the Issuer recognises a receivable against the counterparty. In addition, counterparty risk is the risk that the Issuer's financial counterparties cannot meet their obligations under financial commitments such as contracted repos and derivatives.

Risks arising from the credit quality of borrowers and counterparties and the recoverability of loans and amounts due from counterparties in derivative transactions are inherent in the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties or a general deterioration in the Swedish, European or global economic conditions, or arising from systemic risks in the financial systems, would affect the recoverability and value of the Issuer's assets and require an increase in the Issuer's provision for bad and doubtful loans and



other provisions. The degree to which credit risks may affect the Issuer is uncertain and presents a highly significant risk to the recoverability and value of the Issuer's assets.

### ***Liquidity risk***

Liquidity risk is the risk that the Issuer will not be able to meet its payment obligations when they fall due at all or without the related cost increasing significantly. As part of its funding, the Issuer accepts deposits from the general public which are repayable on demand. Should a majority of the deposits be withdrawn simultaneously or during a short period of time, this would adversely affect the Issuer's short-term liquidity as it will be required to repay a significant amount on demand. If the Issuer's inability to meet its payment obligations when they fall due is not temporary it would risk leading to a lack of liquidity in the longer term. The Issuer is subject to liquidity requirements in its capacity as a credit institution supervised by the SFSA, including a statutory requirement to maintain a sufficient liquidity buffer to enable it to discharge its obligations as they fall due. Serious or systematic deviations from such regulations may lead to the SFSA determining that the Issuer's business does not satisfy the statutory soundness requirement for credit institutions and could result in the SFSA imposing sanctions against the Issuer. The inability of the Issuer to anticipate and provide for unforeseen decreases or changes in funding sources could have consequences on the Issuer's ability to meet its payment obligations when they fall due and thus result in an investor not being paid in a timely manner. The degree to which liquidity risks may affect the Issuer is uncertain and presents a highly significant risk to the Issuer's ability to meet its payment obligations as they fall due.

### ***Funding risk***

The Issuer is dependent upon the debt capital markets as a source of debt capital. As of 31 December 2023, as part of the Issuer's funding, the Issuer had issued debt instruments corresponding to a value of SEK 78,750 million under its MTN programme, Nordic Medium Term Note and Covered Bond programme and in registered covered bonds. Disruptions, uncertainty and/or increased volatility in the global debt capital markets may have an adverse effect on the terms on which the Issuer is able to raise debt or the ability to raise debt at all. This could be due to circumstances out of the control of the Issuer such as general market disruptions or loss in confidence in financial markets stemming from for example severe changes in the economic outlook or external macro-economic shocks, uncertainty and speculation regarding the solvency of market participants or operational problems affecting third parties.

As at the date of this Base Prospectus, the Issuer has credit ratings from S&P Global Ratings, acting through S&P Global Ratings Europe Limited (**Standard & Poor**) of A and A1 (long term and short term) and from Fitch Ratings Ireland Limited (**Fitch**) of A and F1 (long term and short term). Any downgrade of the Issuer's credit ratings is likely to increase the Issuer's borrowing costs, adversely affect the liquidity position of the Issuer, limit its access to the capital markets or undermine confidence in and the competitive position of the Issuer, limiting the range of counterparties willing to enter into transactions with the Issuer. Any of the events above could lead to increased funding costs and decreased margins and incomes from the Issuer's core business, and could therefore have a material adverse effect on the Issuer's business and results of operations.

### ***Market risk***

Market risk is the risk of loss or reduced future income due to market fluctuations. The Issuer's market risk includes interest-rate risk, currency risk, basis-spread risk and credit-spread risk. Interest-rate risks arise when interest fixing periods or interest bases for assets and liabilities are mismatched.

Since the Issuer conducts lending operations, the Issuer is largely dependent on interest-rate levels as interest rates are the single most important factor that affects margins in connection with its core business, i.e. lending. Variations in interest rates may result in losses or lower future income, as assets and liabilities have different fixed-interest periods and interest terms. Measured using the Pillar 2 methodology implemented by the SFSA, the risk to economic value as of 31 December 2023 was SEK 202 million and the risk to net interest income was SEK 86 million.

Against this background, a liquid derivative market enabling the Issuer to swap foreign currencies and interest rates is therefore essential, and any significant disruption in the access to such market would harm the Issuer. The Issuer is exposed to basis-spread risk that refers to the risk associated with derivative transactions that are used to hedge financing in currencies other than SEK. The basis-spread risk is not hedged and a stressed scenario as of 31 December 2023 would decrease the Issuer's equity with SEK 69 million.

Credit-spread risk refers to the assets in the liquidity-buffer that is exposed to changing conditions between the different issuers' interest costs and the risk-free interest rate.

### ***Environmental, Social and/or Governance “ESG” risks***

There is a risk that the Issuer’s operations have a direct or indirect negative effect on, or are directly or indirectly negatively affected by, environmental, social and/or governance (ESG) factors, such as the climate and the environment, human rights and working conditions (including social conditions and personnel related matters), anti-corruption efforts and financial criminality.

The Issuer’s exposure to climate and environmental risks primarily arises in conjunction with its grant of credit. The Issuer’s customers are exposed to environmental risks and climate risks which may have an impact on the customer’s business, properties, buildings and collateral, including both acute risks, such as droughts, storms, pollutions, animal diseases and other natural disasters, chronic risks such as gradual changes to the climate and a transition risk such as increased costs for fossil based products necessary for conducting its business or regulatory changes. An outburst of a disease or a natural disaster striking a specific land area or sector such as flooding, landslides and/or erosion, could adversely affect the value of a customer’s property or business, leading to deterioration of the collateral value and/or the customer migrating to less favourable credit classes, thereby increasing the Issuer’s risk of credit losses (since borrowers might face difficulties in repaying their loans should the collateral decrease in value). Since properties are used as collateral for an absolute majority of the loans provided by the Issuer, this risk is significant.

### **Internal and operational control risks**

#### ***The Issuer is subject to the risk of failure or interruption to its IT and other systems***

The Issuer is dependent on the ability to keep customer information and to process transactions as well as on internal and external systems for its loan distribution. The Issuer’s business is thus dependent on the IT-systems to serve customers, support the Issuer’s business process, ensure complete and accurate processing of financial transactions and support the overall internal control framework.

Disruptions in the Issuer’s IT infrastructure or other systems may have a material adverse effect on the Issuer’s ability to conduct its business and furthermore its financial condition and results of operations. Disruptions may, for example, be caused by internal factors, such as larger projects for replacing or upgrading existing IT platforms and/or systems, which, if replaced or upgraded inappropriately, risks resulting in IT platforms and/or systems that do not function as expected and result in, among other things, unreliable data processing with impact on financial reporting. There is also a risk for disruptions caused by external factors, such as the availability of experts vital for technical support or completion of embarked projects.

The occurrence of such a failure may not be adequately covered by the Issuer’s business continuity and disaster recovery planning. A significant degradation, failure or lack of the Issuer’s information systems or any other systems in the trading process would cause slower response times, delays or failure to complete transactions on a timely basis, failed settlement and trades, incomplete or inaccurate accounting and recording or processing of trades, which would have a negative impact on the Issuer’s operations. The complex nature of the financial markets, and the speed with which they develop, require highly complex system solutions and competent personnel to operate, monitor and maintain them. If the Issuer would fail to update and expand its systems and networks adequately or to adapt its systems and technology to evolving customer demands or emerging industry standards, this would accentuate the IT-related risks and thus further increase the negative outcome of the Issuer. The degree to which IT failures may affect the Issuer is uncertain and presents a highly significant risk to the Issuer’s operations.

### ***Operational and cyber risks***

Operational risk is the risk of losses due to inappropriate or unsuccessful processes, human error, faulty systems or external events, including legal risks. Operational risk and losses can result from fraud or other external or internal crime, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of internal or external systems, for example, caused by the Issuer’s suppliers or counterparties. The Issuer’s business is also dependent on the ability to process a large number of transactions within the ordinary course of its operations. Any failure in conducting such transactions efficiently and accurately due to operational risks being materialised may thus adversely affect the Issuer’s operations.

Moreover, similar to all major financial institutions, the Issuer’s activities are subject to cyber-related risks, such as ransomware attacks and denial of service attacks, the nature of which is continually evolving. The cyber-threat to the Swedish financial sector is extensive and persistent. A breach in security of the Issuer’s IT systems risks compromising the availability of important systems and may disrupt the Issuer’s business. There is also a risk of blackmail attempts and the disclosure of sensitive or confidential information, which would create significant

financial and legal exposure, and damage the Issuer's reputation and brand. Cybersecurity risks are foremost related to the Issuer's internet bank users and include fraudulent transactions, identity theft, potential unauthorised access to privileged and sensitive customer information including account information. There is also a risk of social engineering attempts and the disclosure of sensitive or confidential information, which would create significant financial and legal exposure, and damage the Issuer's reputation and brand. As the Issuer's business is digitalised to a large extent, these risks are more prominent to the Issuer compared to competitors and other lenders whose operations are less digitalised. The Issuer may experience security breaches or unexpected disruptions to its systems and services in the future, which could, in turn, result in liabilities or losses to the Issuer, its customers and/or third parties and have an adverse effect on the Issuer's business, reputation, brand and results of operations. The degree to which operational failure or the occurrence of a cyber-related incident may affect the Issuer is uncertain and presents a highly significant risk to the Issuer's ability to carry out transactions efficiently and accurately.

### ***Risks relating to outsourcing and third parties***

The Issuer relies on certain service and business process outsourcing and other partners. The Issuer's critical business systems, for example for the origination of loans, electronic identification of customers and financial crime surveillance, are dependent on third party software and infrastructure. While alternative business outsourcing and other partners are available, it can be difficult for the Issuer to replace these relationships on commercially reasonable terms, or at all, and seeking alternate relationships could be time consuming and result in interruptions to the Issuer's business. The Issuer's use of business outsourcing partners also exposes the Issuer to reputational risks. The failure of the Issuer's third-party providers to perform their services to the Issuer's standards and any deterioration in or loss of any key relationships can have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer's business outsourcing partners and other third parties could commit fraud with respect to the services that the Issuer outsources to them, fail to comply with applicable laws and regulations, such as data protection requirements, or fail to otherwise provide their agreed services to the Issuer. To the extent these third parties violate laws, other regulatory requirements or their contractual obligations to the Issuer, or otherwise act inappropriately in the conduct of their business, the Issuer's business and reputation could be negatively affected or penalties could be directly imposed on the Issuer. Furthermore, there is a risk that the Issuer's methods and procedures for overseeing how outsourcing partners and other third parties operate their businesses may not detect the occurrence of any violations for a substantial period of time, which could exacerbate the effect of such violations. Any of the above can have a material adverse effect on the Issuer's business, financial condition and results of operations.

### ***The loss of key personnel may adversely affect the Issuer's performance***

During 2023, the Issuer had an average number of employees of 222, of which 8 are considered key personnel. The Issuer's performance is dependent on the talent, experience and commitments of highly skilled individuals. The Issuer's ability to develop its business and to compete effectively is dependent on its ability to retain and motivate its existing employees and, where necessary, recruit skilled employees, particularly in light of the rapid pace of technological advances and the increasing complexity of financial markets and their regulatory landscape. Competition from within the financial services industry and from businesses outside the financial services industry for qualified employees is intense and an inability to attract, keep and if necessary recruit skilled personnel, or the loss of a significant number of key personnel, may cause disruption to the Issuer's business, which could have adverse effect on the Issuer's development, growth and financial performance.

### ***Compliance risks***

The banking and financing sector is heavily regulated and the Issuer's business is subject to regulation and regulatory supervision pursuant to numerous directives, laws, regulations and policies issued by, *inter alia*, the EU and Sweden. Any significant regulatory developments, for example relating to financial accounting and reporting standards, could have an effect on how the Issuer conducts its business (should it adversely affect the value of its assets) and on the Issuer's results of operations (should it entail unexpected costs and/or impose restrictions on the development of the Issuer's business operations or otherwise affect its earnings). This supervision and regulation, in particular in the EU and Sweden, if changed, could materially affect the Issuer's business, the products and services it offers or the value of its assets.

The management of business, regulatory and legal risks requires, 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 inadequate or do not comply with applicable regulations. For example, some methods used by the Issuer to estimate, measure and manage risk are based on perceived historic market behaviour and may therefore prove to be inadequate for predicting future risk exposure. Other methods for risk management

are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to the Issuer. Such information has not always been and may not always be accurate or correctly evaluated or a reliable indicator of default and may therefore be inadequate for the purpose of risk management. Non-compliance with, as well as deficiencies in, guidelines and policies for risk management that leads to negative publicity or criticism from the SFSA or other regulators within the financial sector could have a material adverse effect on the Issuer's reputation. Furthermore, any non-compliance may lead to significant fines from the SFSA or other regulators and/or require the Issuer to take costly measures to ensure compliance.

As a lender to individuals, the Issuer processes large quantities of personal data in relation 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 in 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.

## **Legal and regulatory risks**

### ***Increased capital and liquidity requirements***

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 includes, among others, the Basel III framework, the EU Capital Requirements Directive 2013/36/EU (**CRD IV**), as amended by Directive (EU) 2019/878 (**CRD V**), and the EU Capital Requirements Regulation (EU) No. 575/2013 (**CRR**), as amended by Regulation (EU) 2019/876 (**CRR II**) and by Regulation (EU) 2020/873. The CRD IV and the CRR are supported by a set of binding technical standards developed by the European Banking Authority (the **EBA**). In addition, in October 2021, the European Union adopted a proposal to further amend the CRR and CRD IV as the final elements of the implementation of the Basel III framework. The proposals, more commonly known as CRR3 and CRD VI, are in the final stages and the legal texts have been published, but are still subject to legal review and final vote before their intended entry into force which is 1 January 2025 for CRR3 and, for CRD VI, once transposed by Member States. Until such time as the CRR3 and CRD VI proposals are incorporated into European Union law, the Issuer is unable to determine their final impact on its own financial performance.

The capital adequacy framework includes, *inter alia*, minimum capital requirements for common equity tier 1 (**CET 1**) capital, the component in the capital base with the highest quality, additional tier 1 capital and tier 2 capital. CRR II also introduced 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 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. The combined buffer requirement is the total CET1 capital required to meet the requirement for the capital conservation buffer extended by an institution-specific countercyclical capital buffer, a G-SII buffer, an O-SII buffer and a systemic risk buffer, as applicable, and each as defined in Article 128 of CRD IV. Certain buffers may be applicable to the Issuer as determined by the SFSA. 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. With effect from 22 June 2023, the countercyclical capital buffer rate is 2.0 per cent. A breach of the combined buffer requirements, which for the Issuer consist of the capital conservation buffer and the countercyclical capital buffer, 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.

Banks are also asked to maintain an extra capital buffer, called Pillar 2 guidance (**P2G**), which is determined as part of the Supervisory Review and Evaluation Process (SREP) and is a bank-specific recommendation. The P2G is a non-binding supervisory recommendation and a violation of the P2G does not automatically lead to consequences such as restrictions in dividends. If the P2G is breached, the SFSA has the possibility to intensify its supervision or decide on a Pillar 2 requirement.

Furthermore, there is a degree of uncertainty concerning future capital requirements due to recent and forthcoming regulatory changes. An example of regulatory changes, among other actions, and changes, is the SFSA's decision made on 20 November 2020 regarding regulatory amendments and a change in the application of capital requirements for Swedish banks in order to adapt them to the EU's banking package. This decision primarily introduced leverage ratio requirements, changes in the application of Pillar 2 requirements as well as the SFSA's

position related to the implementation of P2G and the application of the capital buffers. Legislative amendments linked to the CRD V entered into force on 29 December 2020. Binding leverage ratio requirements entered into force on 28 June 2021. In 2020, the SFSA proposed a new method for assessing additional capital charges within Pillar 2 for market risks in other operations, which have applied since 1 January 2021. On 29 April 2024, the SFSA calibrated the current method, including, *inter alia*, amendments to the sensitivity-based stress test for assessing the size of the Pillar 2 guidance for Swedish banks. Overall, these recent and forthcoming regulatory changes are expected to increase the future capital adequacy requirements for banks in Sweden, including the Issuer.

The conditions of the Issuer's businesses as well as external conditions are constantly changing and the full set of capital adequacy rules applicable to Swedish financial institutions continues to evolve. For the foregoing reasons, the Issuer may be required to raise additional capital in the future. Such capital, whether in the form of debt financing, hybrid capital or additional equity, may not be available on attractive terms, or at all. If the Issuer is required to make additional provisions, increase its reserves or capital, or exit or change its approach to certain operations as a result of, for example, the initiatives to strengthen the regulation of credit institutions, this would adversely affect its results of operations or financial condition, all of which may adversely affect the Issuer's abilities to raise additional capital and make payments under instruments such as issued under this Programme.

Serious or systematic deviations by the Issuer from the above regulations would most likely lead to the SFSA determining that the Issuer's business does not satisfy the statutory soundness requirement for credit institutions and thus result in the SFSA 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 presents a significant risk to the Issuer's funding and liquidity position.

### **Bank Recovery and Resolution Directive**

The Issuer is subject to the Bank Recovery and Resolution Directive (**BRRD**) (which was amended by Directive (EU) 2019/879 (**BRRD II**) on 27 June 2019). 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. Accordingly, the requirements under the BRRD are comprehensive, and require the Issuer to take extensive measures to ensure compliance.

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 eligible liabilities, whether subordinated or unsubordinated, of the institution in resolution and/or to convert certain unsecured debt claims, including claims under the Senior Preferred Notes, Senior Non Preferred Notes and Subordinated Notes, into any other security, including CET 1 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 issued under the Programme) could be subject to bail-in, except for certain classes of debt, such as certain deposits and secured liabilities. In addition to the general bail-in tool, the BRRD provides for relevant authorities to have the power, before any other resolution action is taken, to permanently write-down or convert into equity relevant capital instruments (such as the Subordinated Notes) at the point of non-viability (see the risk factor "*Risks relating to loss absorption at the point of non-viability of the Issuer*" below for further information). 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 or Noteholder approval.

The powers set out in the BRRD will impact how institutions are managed as well as, in certain circumstances, the rights of creditors. Under the BRRD regime, Noteholders 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 Notes, non-viability loss absorption. In such circumstances, this may result in holders 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 Notes issued under the Programme) 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 exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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, 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). Accordingly, 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 requirement for own funds and eligible liabilities (MREL), set by the relevant resolution authorities (the Swedish National Debt Office for Sweden) on a case by case basis.

The Swedish National Debt Office has decided on a new MREL policy, which stipulates that the new MREL requirements shall be fully complied with from 1 January 2024. This includes a minimum Pillar 1 subordination requirement for "top-tier" banks (including the Issuer). This Pillar 1 subordination requirement is to be satisfied with own funds and other eligible MREL instruments meeting the applicable CRR requirements, including MREL instruments constituting senior non-preferred debt.

In December 2023, the Swedish National Debt Office most recently decided on the MREL and subordination requirement that applies to the Issuer from 1 January 2024. The Issuer will therefore be required to maintain an amount of additional eligible liabilities in the form of senior non-preferred debt or other eligible MREL instruments in order to meet the new MREL requirements. If the Issuer were to experience difficulties in maintaining such eligible liabilities, it would have to reduce its lending or investments in other operations. This is likely to lead to a decrease in the Issuer's revenue which, if its costs remain unchanged, would decrease its operating result.

Further, given that the new MREL requirements must be met by all EU credit institutions, there is a risk that there is not a sufficient investor appetite in the debt markets for the aggregate volume of eligible liabilities that must be maintained, which would have a negative effect on the price and value of such instruments. The degree to which the price and value of such instruments may vary is uncertain and presents a significant risk to the Issuer's revenue.

### ***Risks relating to loss absorption at the point of non-viability of the Issuer***

The holders of Subordinated Notes are subject to the risk that such 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 SFSA, respectively). As noted above, the powers provided to the Swedish National Debt Office and the SFSA under the BRRD include write-down/conversion powers to ensure that relevant capital instruments (such as Subordinated Notes issued under the Programme) 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. As a result, the BRRD contemplates that resolution authorities may require the permanent write-down of such capital instruments (which write-down may be in full) or the conversion of them into CET 1 instruments at the point of non-viability (which CET 1 instruments may also be subject to any application of the general bail-in tool described above) and before any other bail-in or resolution tool can be used. Measures ultimately adopted in this area may apply to any debt currently in issue, including Subordinated Notes issued under the Programme. Accordingly, in a worst case scenario, the capital instruments may be written down and the value of the Notes may be reduced to zero.

The application of any non-viability loss absorption measure may result in holders of Subordinated Notes 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 holders of Subordinated Notes will have no further claims in respect of any amount so converted or written off. The exercise of any such power may be inherently unpredictable and may depend on a number of factors which may be outside the Issuer's control.

Any such exercise, or any suggestion that the Subordinated Notes could become subject to such exercise, could, therefore, materially adversely affect the value of the Subordinated Notes.

### ***Non-compliance with anti-money laundering regulations***

The Issuer's business is subject to a regulatory framework which requires the Issuer to take measures to counteract money laundering and terrorist financing within its operations. Criminal activity within the banking industry, in which the Issuer operates, has been increasingly uncovered in recent years. This area, not least the issue of money laundering, received particularly intense media in the past three years. As a bank, the Issuer is subject to a regulatory framework which requires the Issuer to take measures to among other things counteract money laundering and terrorist financing. There is a risk that the Issuer's procedures, internal control functions and guidelines to counteract money laundering and terrorist financing are not sufficient or adequate to ensure that the Issuer 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 by the Issuer could result in legal implications. If the Issuer were to become subject to remarks or warnings and/or administrative fines imposed by the SFSA, this could cause significant, and potentially irreparable, damage to the reputation of the Issuer and, as a result, the Issuer's business, financial position and results of operations could be materially adversely affected.

### ***The Issuer is exposed to tax-related risks and risks of changes in tax legislation***

As at 31 December 2023, the Issuer's tax expenses totalled SEK 135 million and its effective income tax was 21,2 per cent. Accordingly, tax expenses constitute a significant part of the Issuer's total expenses (approximately 18,6 per cent). Should the Issuer's tax situation for previous, current and future years change (as a result of legislative changes and decisions made by the tax authorities or as a result of changes in tax treaties, regulations, case law or requirements of the tax authorities, possibly with retroactive effect), it could adversely affect the Issuer's business (should taxes imposed on its products and services negatively impact the demand for such products and services), financial condition (should taxes negatively impact the value of its assets) and results of operations (should taxes increase its costs and thus decrease, among other things, its operating profits). Further, the Issuer's business and transactions are conducted in accordance with the Issuer's interpretation of applicable laws, tax treaties, regulations, case law and requirements of the tax authorities. However, there can be no assurance that its interpretation of applicable laws, tax treaties, regulations, case law or other rules or administrative practice is correct.

For example, it can be noted that new legislation introducing a tax for credit institutions with liabilities above certain thresholds has entered into force on 1 January 2022, and the tax rate is set to 0.06 per cent. of total debt attributable to business carried out in Sweden and business carried out by foreign branches of Swedish credit institutions for taxation years starting after 31 December 2022. The tax does currently not affect the Group, since total liabilities in the bank fall below the current threshold of SEK 184 billion.

### ***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 SFSA 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 his or her account(s) with the Issuer, plus accrued interest, until the time of bankruptcy or the SFSA's activation decision. As of the date of this Base Prospectus, the maximum compensation amounts to SEK 1,050,000, with some exceptions. There is 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. This is likely to have a negative effect on the Issuer's business and liquidity (should its number of depositors decrease), funding and financial condition (should its assets decrease if depositors withdraw their deposits) and results of operations (should its liquidity and funding costs increase if the deposits decrease).

### ***The EU covered Bond framework and the Swedish Act on Issuance of Covered Bonds***

On 7 January 2020, Directive (EU) 2019/2162 and Regulation (EU) 2019/2160 (jointly, the **New EU Covered Bond Legislation**) came into effect. The directive's transposition period lasted until 8 July 2021, and any implementing legislation were to be made applicable no later than 8 July 2022. On 8 July 2022, the New EU Covered Bond Legislation was implemented in Swedish law by amendments to the Swedish Act on Issuance of Covered Bonds. The amended Swedish Act on Issuance of Covered Bonds contains, *inter alia*, introduction of maturity extensions, changes with regards to which assets may be included in the Cover Pool and a requirement of a certain liquidity buffer (see also "*Overview of the Swedish Legislation Regarding Covered Bonds*" below).

For a covered bond that has been issued before 8 July 2022, the previous version of the Swedish Act on Issuance of Covered Bonds as in force until 8 July 2022 will, as a main principle, continue to apply during the remaining part of such covered bond's maturity. As of the date of this Prospectus, legal practice from the SFSA relating to the new rules is limited.

In addition to the Swedish Act on Issuance of Covered Bonds, the SFSA has issued regulations and recommendations under the authority conferred on it by the Swedish Act on Issuance of Covered Bonds (*Finansinspektionens föreskrifter och allmänna råd om säkerställda obligationer* (FFFS 2013:1), and as most recently updated FFFS 2022:12) (see also "*Overview of the Swedish Legislation Regarding Covered Bonds*" below).

Any failure by the Issuer to comply with the Swedish legislation governing covered bonds or the SFSA Regulation may have a material adverse effect on the Issuer.

## **RISKS RELATED TO THE NOTES AND COVERED BONDS ISSUED UNDER THE PROGRAMME**

### **Factors which are material for the purpose of assessing the market risks associated with Notes or Covered Bonds issued under the Programme:**

#### **Risks related to the structure of a particular issue of Notes or Covered Bonds**

##### ***Notes or Covered Bonds subject to optional redemption by the Issuer***

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

If the Issuer redeems Notes or Covered Bonds prior to its original maturity, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes or Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Where Notes or Covered Bonds are subject to redemption at the option of the Issuer, Noteholders or Covered Bondholders, as the case may be, do not have any right to require the Issuer to exercise any such optional redemption feature and should not invest in the Notes or Covered Bonds, as applicable, in the expectation that any early redemption option will be exercised by the Issuer. In addition, in the case of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, in order to exercise any such option the Issuer must, if required under applicable rules, obtain the prior consent of the Competent Authority and there is no guarantee that the exercise of any such early redemption option will be permitted by the Competent Authority (see further under "*Call options may not be exercised*" and "*Any early redemption of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes may limit their market value and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*" below).

##### ***Fixed/Floating Rate Notes and Covered Bonds***

Fixed/Floating Rate Notes and Covered Bonds may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes and Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes or Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Notes or Covered Bonds and tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes or Covered Bonds. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes or Covered Bonds.

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

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (and including) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the relevant Reset Margin as determined by the Issuing Agent on the relevant Reset Determination Date (each such interest rate, a **Subsequent Reset Rate**). The First Reset Rate or the Subsequent Reset Rate for any Reset Period could be less than the Initial



Interest Rate or the previous Reset Rate for prior Reset Periods and could affect the market value of an investment in the Fixed Reset Notes.

***For issues of Notes and Covered Bonds with a specific use of proceeds, such as "green bonds", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor***

The applicable Final Terms relating to any specific Tranche of Notes or Covered Bonds may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes or Covered Bonds towards Green Bonds. Prospective investors should have regard to the information in this Base Prospectus and the applicable Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in Green Bonds, together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for the specified purposes will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment portfolio mandates.

Investors should be aware that Green Bonds may also be subject to the resolution tools granted to the competent authority under the BRRD in circumstances where the Issuer fails or is likely to fail. In particular, Green Bonds will be subject to the exercise of the general bail-in tool and/or the non-viability loss absorption (in respect of Subordinated Notes) to the same extent and with the same ranking as any other Note which is not a Green Bond. Further, any Green Bonds as with other Notes, will be fully subject to the application of CRR eligibility criteria and BRRD requirements and, as such, proceeds from any such Green Bonds will cover all losses in the balance sheet of the Issuer regardless of their "green" or "sustainable" label.

Furthermore, it should be noted that there is currently no legal or regulatory definition of what constitutes a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label. Future developments or legal requirements as to the definitions of "green", such as the entering into force of unified classification systems in relation to sustainability adopted by the European Union, may render the eligible Green Assets, as described in the Green Bond Framework, obsolete. This could lead to present or future investor expectations or requirements as regards any investment criteria or guidelines, whether according to applicable law or regulations or by such investor's own by-laws, governing rules or investment mandates, cannot be satisfied. As an example, on 1 January 2023, the Taxonomy Regulation (Regulation EU 2020/852) (the **Taxonomy Regulation**), a common classification system aimed at facilitating the classification of sustainable investment, entered into force. The Taxonomy Regulation imposes stricter rules when assessing green and sustainable financial products and activities. There is uncertainty as to how the Taxonomy Regulation may affect the design of the classification of Green Bonds. There is a risk that the classification of loans issued as Green Bonds or assets as Green Assets under the Framework will be affected by the Taxonomy Regulation.

There are voluntary initiatives, in particular the GBP, with which the vast majority of existing green bond issuances are aligned. On 23 October 2023, Regulation (EU) 2023/2631 (Green Bonds Regulation) was adopted, establishing a European Green Bond Standard, which includes provisions requiring that issuers must allocate 100 per cent of the proceeds raised by the bonds to economic activities that meet the requirements in the Taxonomy Regulation by the time the bonds mature. It should be noted that the application of the Green Bonds Regulation and the European Green Bond Standard is still uncertain as, for example, ESMA has not yet issued any guidelines. It should further be noted that there is no assurance that the Issuer will comply with this voluntary standard. Accordingly, no assurance is or can be given to investors that a Green Bond will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of a Green Bond. As the Green Bond Framework and market practice may develop over time, there is a risk that current or future investor expectations will not be met, which could negatively affect trading in Green Bonds.

There is also a risk that the Issuer fails to identify Green Assets, and that the selected Green Assets do not achieve or comply with the requirements in the Green Bond Framework. If the Issuer makes the assessment that a Green Asset no longer complies with the requirements in the framework, it is responsible for replacing such an asset with a new Green Asset. There may be a time discrepancy in this process, which could result in the outstanding volume of Green Bonds exceeding the Issuer's portfolio of Green Assets. If the net proceeds from Green Bonds cannot be used to finance or refinance Green Assets, this risks adversely affect the Issuer's reputation and may violate investors' internal rules or investment mandates.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any green bonds in order to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such green bonds. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such green bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

The Issuer has obtained a second party opinion from CICERO confirming alignment of the Green Bond Framework with the GBP. CICERO is neither responsible for how the Green Bond Framework is implemented or followed up by investors, authorities (as applicable) or other stakeholders, nor is CICERO responsible for the outcome of the Green Assets described in the Green Bond Framework. There is a risk that the suitability or reliability of the second opinion is challenged (by the issuer, an investor or any other third party). Furthermore, CICERO, and other providers of second opinions, is currently not subject to any regulatory regime or oversight, and there is a risk that such providers will be deemed not reliable or objective in the future.

In the event that any such green bond is listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any investor expectations or requirements as regards any investments criteria or guidelines with such investor or its investments are required to comply whether by any applicable law or regulations or by its own governing rules. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. While it is the intention of the Issuer to apply the proceeds of any green bonds in accordance with the purposes specified in the applicable Final Terms, there can be no assurance that the relevant project(s) or use(s) will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified purposes. Nor can there be any assurance that such projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. The Arranger will not, and none of the Dealers will, verify or monitor the application of the proceeds of any green bonds issued under the Programme.

Any such event or failure by the Issuer will not constitute an Event of Default under the Notes or a default under the Covered Bonds. Any such event or failure to apply the proceeds of any issue of Notes or Covered Bonds for any specified purposes as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such green bond no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such green bonds, and also potentially the value of any other green bond which is intended to be used for a particular purpose.

***Risks relating to the regulation and reform of benchmarks, including EURIBOR, STIBOR, NIBOR and other interest rates and other types of benchmarks***

The Euro Interbank Offered Rate (**EURIBOR**), the Stockholm Interbank Offered Rate (**STIBOR**) and the Norwegian Interbank Offered Rate (**NIBOR**) and other interest rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. The implementation of the anticipated reforms may result in changes to a benchmark's administration, causing it to perform differently than in the past, or to be eliminated entirely, or resulting in other consequences which cannot be predicted as at the date of this Base Prospectus. Any such consequence could have an adverse effect on any Notes or Covered Bonds linked to such a "benchmark" (including, for example, Floating Rate Notes or Covered Bonds whose interest rate is linked to EURIBOR, STIBOR or NIBOR or any other Reference Rate specified in the applicable Final Terms).

The EU Benchmarks Regulation has applied since 1 January 2018, subject to certain transitional provisions, to "contributors" to, "administrators" of, and "users" of benchmarks in the EU. The EU Benchmarks Regulation, among other things, (a) requires EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibits the use in the EU of benchmarks provided by EU administrators which are not authorised or registered in accordance with the EU Benchmarks Regulation, and (c) prohibits the use in the EU of benchmarks provided by non-EU administrators (if not deemed equivalent

or recognised or endorse). ESMA maintains a public register of EU-approved benchmark administrators and non-EU benchmarks pursuant to the EU Benchmarks Regulation (the **ESMA Register**).

The Benchmarks Regulation could have a material impact on any Notes or Covered Bonds which pay a floating rate of interest (including Floating Rate Notes and Floating Rate Covered Bonds). In particular, if the methodology or other terms of the benchmark (such as EURIBOR) are changed in order to comply with the requirements of the Benchmarks Regulations, such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the level or volatility of such benchmark. In addition, market participants may be discouraged from continuing to administer or contribute to such benchmark, for example as a result of the increased administrative requirements and the associated regulatory risks, and the rules or methodologies used in the benchmarks may change, which may lead to the disappearance of the benchmark. Any of these changes, could have a material adverse effect on the value of, and return, on any Notes or Covered Bonds linked to a benchmark.

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate (**€STR**) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although the EURIBOR has subsequently been reformed in order to comply with the terms of the Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The Stockholm and Norwegian interbank offered rates are also in the process of reform to comply with the requirements of the Benchmarks Regulation, and it is uncertain how long they will continue in their current forms or whether they will be replaced with risk free rates or other alternative benchmarks.

Any of the above changes or any other consequential changes to benchmarks as a result of EU or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, value of and return on any Notes or Covered Bonds linked to such benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the applicable Benchmarks Regulations reforms, investigations and licensing issues in making any investment decision with respect to the Notes or Covered Bonds linked to a benchmark.

### ***Risks relating to the on-going reform and potential cessation of Reference Rates***

If the Issuer (in consultation with the Issuing Agent) determines that a Benchmark Event (as defined in the Terms and Conditions of the Notes, Terms and Conditions of the VPS Notes, Terms and Conditions of the Covered Bonds and Terms and Conditions of the VPS Covered Bonds) has occurred, the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Benchmark Rate (as further described in each of the Terms and Conditions of the Notes, the Terms and Conditions of the VPS Notes, Terms and Conditions of the Covered Bonds and the Terms and Conditions of the VPS Covered Bonds) and, if applicable, an Adjustment Spread. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser and the Issuer cannot agree upon, or cannot select, the Successor Rate or Alternative Benchmark Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Benchmark Rate, the further fallbacks described in each of the Terms and Conditions of the Notes, Terms and Conditions of the VPS Notes, Terms and Conditions of the Covered Bonds and Terms and Conditions of the VPS Covered Bonds shall apply.

The use of a Successor Rate or an Alternative Benchmark Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Notes or Covered Bonds if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Issuer fails to agree a Successor Rate or an Alternative Benchmark Rate or adjustment spread, if applicable with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or adjustment spread, if applicable in a situation in which it is presented with a conflict of interest. The Issuer has also undertaken in the Terms and Conditions of the Notes, Terms and Conditions of the VPS Notes, Terms and Conditions of the Covered Bonds and Terms and Conditions of the VPS Covered Bonds that it will not make any amendment pursuant to each of the Terms and Conditions of the Notes, Terms and Conditions of the VPS Notes, Terms and Conditions of the Covered Bonds and Terms and Conditions of the VPS Covered Bonds if to do so could reasonably be expected to prejudice the qualification of the Notes or Covered Bonds as, in the case of the Senior

Preferred Notes and Senior Non-Preferred Notes, eligible liabilities and/or loss-absorbing capacity or, in the case of the Subordinated Notes, Tier 2 Capital of the Issuer and/or the Landshypotek Consolidated Situation.

***Risks associated with Notes or Covered Bonds that reference SONIA, SOFR or €STR as the Reference Rate***

The market continues to develop with respect to SONIA, SOFR and €STR as reference rates in the capital markets and their adoption as an alternative to the relevant LIBOR rate or EURIBOR (as the case may be). In particular, whilst Notes or Covered Bonds may be issued under the Programme that reference SONIA, SOFR or €STR using a compounded in arrear or weighted average formula, it is possible that the market or a significant part thereof may adopt a different application of such rate. The key terms to calculate and determine the applicable SONIA, SOFR or €STR reference rate, such as for example the compounding structure applied (if any), the use of term rates (if any), the spread over the index reflected in interest rate provisions or the applicable observation method, may evolve over time in the debt capital markets and trading prices of Notes or Covered Bonds that reference SONIA, SOFR or €STR as the Reference Rate may be lower than those of later-issued indexed debt securities as a result.

Interest on Notes or Covered Bonds which reference SONIA, SOFR or €STR as the Reference Rate is only capable of being determined at the end of an observation period and shortly prior to the relevant interest payment date. It may therefore be difficult (if not impossible) for investors in Notes or Covered Bonds which reference SONIA, SOFR or €STR as the Reference Rate to reliably estimate the amount of interest which will be payable on such Notes or Covered Bonds. Some investors may be unable or unwilling to trade such Notes or Covered Bonds without changes to their information technology or other operational systems, which could adversely impact their liquidity. Further, if the Notes or Covered Bonds become due and payable prior to their stated maturity, the rate of interest payable shall be determined on the date the Notes or Covered Bonds became due and payable and shall not be reset thereafter.

The manner of adoption or application of SONIA, SOFR and €STR reference rates in the debt capital markets may differ materially compared with the application and adoption of SOFR, SOFR and €STR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes or Covered Bonds referencing SONIA, SOFR or €STR.

Further, the composition and characteristics of SONIA, SOFR and €STR are not the same and are different from the composition and characteristics of LIBOR and EURIBOR. For example:

- SONIA is an unsecured overnight rate published by the Bank of England and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions based on actual transactions;
- SOFR is a secured overnight rate published by the Federal Reserve Bank of New York and represents a broad measure of the cost of borrowing cash overnight collateralised by U.S. Treasury securities. SOFR includes all trades in the Broad General Collateral Rate plus bilateral Treasury repurchase agreement (repo) transactions cleared through the Delivery-versus-Payment (DVP) service offered by the Fixed Income Clearing Corporation, which is filtered to remove a portion of transactions considered "specials"; and
- €STR is an unsecured overnight rate reported by the ECB as a volume-weighted trimmed mean based on borrowing transactions in Euro conducted with financial counterparties that banks report in accordance with Regulation (EU) No 1333/2014 (**MMSR Regulation**). It is based on daily confidential statistical information relating to money market transactions collected in accordance with the MMSR Regulation. The regular data collection started on 1 July 2016 and €STR is based exclusively on the eligible data from the unsecured market segment of the MMSR.

As a result, there can be no assurance that SONIA, SOFR or €STR (or any term reference rate derived on any of them) will perform in the same way as LIBOR or EURIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, regulatory, judicial or other events.

Because SONIA, SOFR and €STR are published based on data received from a variety of sources, the Issuer has no control over their methods of calculation, publication schedule, rate revision practices or availability at any time without notice. There can be no guarantee, particularly given the relatively recent introduction and publication of these rates and their adoption as replacements for LIBOR and EURIBOR, that these rates will not be

discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes or Covered Bonds that reference SONIA, SOFR or €STR as the Reference Rate (as the case may be). If the manner in which SONIA, SOFR or €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Notes and Covered Bonds and the trading prices of the Notes and Covered Bonds. In addition, the Bank of England, the Federal Reserve Bank of New York or the ECB may withdraw, modify or amend published data relating to SONIA, SOFR or €STR (as the case may be) in its sole discretion and without notice. The interest rate under the Notes or Covered Bonds for any day will not be adjusted for any modifications or amendments to data that the Bank of England, the Federal Reserve Bank of New York or the ECB may publish after the interest rate for that day has been determined.

Although the Bank of England, the Federal Reserve Bank of New York and the ECB publish historical data (or historical indicative data) in respect of SONIA, SOFR and €STR respectively, investors should not rely on any historical changes or trends in SONIA, SOFR or €STR as an indicator of future changes in such rates. Furthermore, since SONIA, SOFR and €STR reference rates are relatively new reference rates, Notes or Covered Bonds that reference SONIA, SOFR and €STR as the Reference Rate may not have an established trading market and an established trading market may not develop or may not be very liquid. Similarly, if SONIA, SOFR and €STR do not prove to be widely used in securities like the Notes or Covered Bonds, the trading price of the Notes or Covered Bonds that reference SONIA, SOFR and €STR as the Reference Rate may be lower than those of Notes or Covered Bonds linked to reference rates that are more widely used. Investors in Notes or Covered Bonds that reference SONIA, SOFR and €STR as the Reference Rate may not be able to sell such Notes or Covered Bonds at all or may not be able to sell such Notes or Covered Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

### **Risks related to Notes and Covered Bonds generally**

#### ***Extendable obligations under the Covered Bonds aimed at preventing the Issuer's insolvency***

If Statutory Extended Final Maturity is specified as being applicable in the Final Terms for any Series of Covered Bonds, and the Issuer has received a Statutory Maturity Extension Approval from the SFSA, payment of any unpaid amounts shall be automatically deferred until the Statutory Extended Final Maturity Date. Prior to the SFSA's decision on a Statutory Maturity Extension Approval, the Swedish National Debt Office and the Swedish Central Bank (Riksbanken) shall be given the opportunity to comment. In the event that the prerequisites for a Statutory Maturity Extension Approval are met, a subsequent declaration on the Issuer's bankruptcy or resolution would not affect the Statutory Extended Final Maturity.

The Issuer shall notify the Noteholders of such Statutory Extended Final Maturity, but any failure to do so will not in any event prevent the extension to the Statutory Extended Final Maturity Date or give any Noteholder any right to receive any payment of interest, principal or otherwise with respect to the relevant Covered Bonds other than as expressly set out in the terms and conditions of the Covered Bonds. The Statutory Extended Final Maturity Date will be the date specified in the applicable Final Terms. Interest will continue to accrue on any unpaid amount at the floating rate specified in the applicable Final Terms and will be payable on each Interest Payment Date falling after the Maturity Date up to (and including) the Statutory Extended Final Maturity Date. In these circumstances, failure by the Issuer to make payment in respect of the Final Redemption Amount on the Maturity Date shall not constitute a default in payment by the Issuer. However, failure by the Issuer to pay the Final Redemption Amount or the balance thereof on the Statutory Extended Final Maturity Date and/or interest on such amount on any Interest Payment Date falling after the Maturity Date up to (and including) the Statutory Extended Final Maturity Date shall constitute a default in payment by the Issuer.

If an extension of the Maturity Date as described above occurs, Covered Bondholders will not be entitled to terminate or declare the Covered Bonds due for payment or any other right to direct claims against the Issuer. In addition, no payments will be made to the Covered Bondholders until the Statutory Extended Final Maturity Date. Accordingly, there is a risk that Covered Bondholders will not receive a repayment of the principal amount on the Maturity Date.

#### **Additional risks relating to Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes only**

##### ***Events of Default in relation to Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes***

Condition 8 of each of the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes contains a restricted list of Events of Default in relation to the Senior Preferred Notes, Senior Non-Preferred Notes

and Subordinated Notes. If any such Event of Default occurs, the holders of Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes shall only be entitled to institute proceedings for the Issuer to be declared bankrupt or put into liquidation and prove or claim in the bankruptcy or liquidation of the Issuer. Holders may claim payment in respect of the Senior Preferred, Senior Non-Preferred and Subordinated Notes only in the bankruptcy or liquidation of the Issuer and this may adversely affect the market value of Senior Preferred, Senior Non-Preferred and Subordinated Notes.

***The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes***

There is no restriction on the amount or type of debt that the Issuer may issue or incur that ranks senior to, or *pari passu* with, the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes. The incurrance of any such debt may reduce the amount recoverable by holders of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, may limit the ability of the Issuer to meet its obligations in respect of the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes and could result in holders losing all or some of their investment in the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes. In addition, the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes do not contain any restriction on the Issuer issuing securities ranking *pari passu* with the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes and having similar or preferential terms to the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes.

***Call options may not be exercised***

Holders of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes have no rights to call for the redemption of such Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes. Although the Issuer may redeem the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes in certain circumstances, as described in Condition 7 of each of the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes, there are limitations on its ability to do so, in particular obtaining the prior permission of the Competent Authority (if such permission is then required (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) by the Applicable MREL Regulations or (in the case of Subordinated Notes) by the Capital Regulations). Investors should not purchase Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes in the expectation that the Issuer will redeem the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes should it become entitled to do so under the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes. Any decision by the Issuer as to whether it will exercise calls in respect of the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes will be taken at the absolute discretion of the Issuer.

Holders of such Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes should be aware that they may be required to bear the financial risks of an investment in such Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes for a period of time in excess of the minimum period.

***No right of set-off or counterclaim***

Subject as provided in each of the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes and as a general principle of Swedish law, in respect of Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes, no Noteholder who, in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) 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 the relevant Notes (including any damages awarded for breach of any obligations under the Terms and Conditions of the Notes, if any are payable) held by such Noteholder, which could adversely affect the amount recovered in any liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer.

***Any early redemption of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes may limit their market value and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return***

Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes may contain provisions allowing the Issuer to call them after a minimum period specified in the applicable Final Terms, which, in respect of Subordinated Notes, is expected to be a minimum period of five years, and on certain specified dates thereafter. The Issuer may also be entitled to redeem Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes at any time if a Tax Event occurs or (in the case of Subordinated Notes) a Capital Event occurs or (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) an MREL Disqualification Event occurs. To exercise any such call option, the Issuer must, if required under applicable law or regulation, obtain the prior

consent of the Competent Authority and the exercise of the call option must be in compliance with certain regulatory conditions.

There can be no assurance that, in the event of any such early redemption, holders of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes will be able to reinvest the proceeds at a rate that is equal to the return on the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes. The Issuer may be expected to redeem the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes when its cost of borrowing is lower than the interest rate on the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The redemption feature is likely to limit the market value of the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes. During any period when the Issuer may elect to redeem the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, the market value of the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any such period.

### ***Substitution or variation of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes***

Where Condition 7(l) is stated as applying in the applicable Final Terms in respect of an issue of Subordinated Notes, if at any time a Capital Event or a Tax Event occurs (to the extent such redemption provisions apply to such issue), then the Issuer may, subject to the consent of the Competent Authority and without any requirement for the consent or approval of the Noteholders, substitute or vary the terms of such Subordinated Notes so that they remain, or become, Subordinated Qualifying Securities, as provided in Condition 7(l) of each of the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes.

Where Condition 7(l) is stated as applying in the applicable Final Terms in respect of an issue of Senior Preferred Notes or Senior Non-Preferred Notes, if at any time an MREL Disqualification Event or a Tax Event occurs (to the extent such redemption provisions apply to such issue), then the Issuer may, subject to the consent of the Competent Authority and without any requirement for the consent or approval of the Noteholders, substitute or vary the terms of such Senior Preferred Notes or Senior Non-Preferred Notes so that they remain, or become, Senior Preferred Qualifying Securities or Senior Non-Preferred Qualifying Securities, as provided in Condition 7(l) of each of the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes.

Any such substitution or variation may have adverse consequences for holders of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, dependent on a number of factors, including the nature and terms and conditions of the relevant Qualifying Securities and the tax laws to which a particular holder of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes is subject.

### ***The Issuer's gross-up obligation in respect of interest payments under the Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes is limited***

If "Additional Amounts – Interest Only" is specified as applicable in the applicable Final Terms, the Issuer would not be required to pay any additional amounts in respect of any withholding or deduction in respect of taxes on any payments of interest under the terms of (i) each Series of Senior Preferred Notes or Senior Non-Preferred Notes and (ii) each Series of Subordinated Notes. Accordingly, if any such withholding or deduction were to apply to under any Series of Senior Preferred Notes or Senior Non-Preferred Notes or any Series of Subordinated Notes, holders of such Notes would be entitled to receive only the net amount of such interest after deduction of the amount required to be withheld. Therefore, holders may receive less than the full amount due under such Notes, and the market value of such Notes may be adversely affected as a result.

### ***Additional risks relating to Senior Non-Preferred Notes and Subordinated Notes only Senior Non-Preferred Notes rank junior to the Issuer's unsubordinated creditors***

The Senior Non-Preferred Notes constitute unsecured and unsubordinated obligations, with Senior Non-Preferred Ranking, of the Issuer. As provided under Condition 2(b), the rights of the holders of any Senior Non-Preferred Notes shall, rank (i) *pari passu* without any preference among themselves; (ii) *pari passu* with the rights of holders of all other Senior Non-Preferred Liabilities of the Issuer; (iii) senior to the rights of holders of any subordinated obligation of the Issuer, including any subordinated obligation of the Issuer which constitutes, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital or any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument, which by law rank, or by their terms are expressed

to rank, junior to the Senior Non-Preferred Liabilities of the Issuer; (iv) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and (v) junior in right of payment to any present or future claims of (x) depositors of the Issuer, and (y) other unsubordinated creditors of the Issuer (including holders of Senior Preferred Notes) that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer. If, in the event of a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*), the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the holders of Senior Non-Preferred Notes will lose their entire investment in the Senior Non-Preferred Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable the Issuer to pay claims arising under its obligations in respect of the Senior Non-Preferred Notes and all other claims that rank *pari passu* with the Senior Non-Preferred Notes, the holders of the Senior Non-Preferred Notes will lose some (which may be substantially all) of their investment in the Senior Non-Preferred Notes. Furthermore, in the event of a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, any payment to holders of the Senior Non-Preferred Notes may only be made after the claims of more senior-ranking creditors of the Issuer have been paid in full.

Furthermore, as described in the risk factors entitled "Bank and Recovery Resolution Directive", "Loss absorption at the point of non-viability" and "Minimum requirement for own funds and eligible liabilities under the BRRD", the BRRD contains a number of resolution tools and powers which may be applied by the resolution authority as part of the resolution of an EU credit institution, such as the Issuer, including a general power to write-down all or a portion of the principal amount of, or interest on, certain eligible liabilities and/or to convert certain unsubordinated debt claims into another security, including CET 1 instruments, of the surviving entity. As further described above, one of the key principles of the BRRD in the exercise of those powers and tools by the resolution authority is that (in general terms) shareholders and subordinated creditors (including those of holders of Senior Non-Preferred Notes and Subordinated Notes) must bear losses and, only when those claims are exhausted, can resolution authorities impose losses on senior creditors (such as holders of Senior Preferred Notes).

Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Notes which benefit from a preferential ranking, there is a risk that an investor in Senior Non-Preferred Notes will lose all or some of his investment should the Issuer become insolvent.

### ***The Issuer's obligations under Subordinated Notes are subordinated***

The rights of holders of Subordinated Notes, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, will be subordinated in right of payment to the claims of depositors, other unsubordinated creditors of the Issuer and subordinated creditors of the Issuer whose rights are expressed to rank in priority to holders of such Subordinated Notes. If, in the event of a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*), the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the holders of Subordinated Notes will lose their entire investment in the Subordinated Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable the Issuer to pay claims arising under its obligations in respect of the Subordinated Notes and all other claims that rank *pari passu* with the Subordinated Notes, the holders of the Subordinated Notes will lose some (which may be substantially all) of their investment in the Subordinated Notes. Furthermore, in the event of a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, any payment to holders of the Subordinated Notes may only be made after the claims of more senior-ranking creditors of the Issuer have been paid in full.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor in Subordinated Notes will lose all or some of his investment in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer. See Condition 2(c) of each the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes.

### **Additional risks related to Covered Bonds only**

#### ***Risks associated with the priority rights of Covered Bonds***

Covered Bonds have a priority right over assets in the Issuer's cover pool according to the Swedish Act on Issuance of Covered Bonds and the Swedish Rights of Priority Act (*Förmånsrättslagen (1970:979)*). Under the Swedish Act on Issuance of Covered Bonds, the Covered Bondholders also have a right to receive payment at the times and in the amounts stated in the terms and conditions even if the Issuer should have entered into bankruptcy proceedings. There may however be situations when the Covered Bonds would not have the expected priority right or when their priority right and right to timely payment would prove to be less extensive than expected. Such circumstances would be expected to have a negative impact on the market value of an Covered Bond. See "Overview of the Swedish Legislation Regarding Covered Bonds".



### ***Non-compliance with matching requirements***

According to the Swedish Act on Issuance of Covered Bonds, the Issuer must comply with certain matching requirements, which, *inter alia*, require that the nominal value and the present value of the assets registered to the cover pool respectively exceed by at least two per cent., the nominal value and the present value of liabilities which relate to the Covered Bonds issued from time to time. In order to comply with these requirements, the Issuer may enter into and shall take into account the effect of relevant derivative contracts. To do so, the Issuer is dependent on the availability of derivative counterparties with sufficient credit rating and also on such counterparties fulfilling their contractual obligations. The present value of the derivative contracts shall be included when determining whether the present value of the cover pool exceeds the present value of the liabilities relating to covered bonds.

If the value of property which serves as collateral for a mortgage loan granted by the Issuer decreases substantially – and the Issuer does not take remedial actions to restore the ratio between the outstanding nominal claims under the covered bonds and the value of the assets in the cover pool – there is a risk that the Issuer will not be able to comply with the matching requirements.

If the Issuer is declared bankrupt and the administrator in bankruptcy determines that the matching requirements are not complied with (and such deviation is not only temporary and minor) the assets in the cover pool will no longer be separated, and ordinary bankruptcy procedures will be applied. Payments will then no longer be made in accordance with the terms and conditions of the Covered Bonds, but in accordance with the provisions of the Bankruptcy Code (*Konkurslagen (1987:672)*). This may mean that a Covered Bondholder will not receive full payment, and that any payment may be made in advance or in arrears. However, the priority right to the assets in the cover pool will remain. To the extent the cover pool does not suffice to satisfy the claims under the covered bonds and the relating derivative contracts, remaining claims will rank *pari passu* with other unsecured unsubordinated claims against the Issuer.

### ***Conflicting interests of other creditors***

In the event of the Issuer's bankruptcy, the Swedish Act on Issuance of Covered Bonds does not give clear guidance on certain issues, which may lead to a conflict between the Noteholders, any other Covered Bondholder and any relevant swap providers on the one hand and other creditors of the Issuer on the other hand. Examples of such issues are (a) how proceeds from a loan partly registered to a cover pool should be distributed between the portion of such loan registered to the cover pool and the portion of such loan not registered to the cover pool and (b) how the proceeds of enforcement of a mortgage certificate should be distributed if this serves as collateral for two different loans ranking *pari passu* in the mortgage certificate where one such loan is not wholly or partly registered to the cover pool. The lack of clear guidance on these and similar issues may lead to unsecured creditors arguing that part of the proceeds from a loan and/or mortgage certificate should not be included in the cover pool or to any creditors with loans that rank *pari passu* in a mortgage certificate which also serves as collateral for a loan registered to the cover pool arguing that part of the proceeds from such mortgage certificate should not be included in the cover pool. If any such claim were upheld, it could diminish the value of assets in the cover pool, which could have an adverse effect of the recovery of Covered Bondholders in the event of the Issuer's bankruptcy.

### ***Levy of execution on the assets in the cover pool***

Although the Swedish Rights of Priority Act prescribes that a special right of priority applies upon both bankruptcy and levy of execution, it has been argued with considerable authority that, as the Swedish Enforcement Code (*Utsökningsbalken (1981:774)*) does not protect the special right of priority of a covered bondholder in competition with another creditor seeking execution, such a creditor may, through levy of execution, obtain a right which is superior to the right of priority accorded to covered bondholders under the Swedish Rights of Priority Act. Such preference right may be challenged by a bankruptcy administrator and be voidable if the preference was obtained within three months prior to the commencement of the Issuer's bankruptcy proceedings on the basis that such creditor has been preferred over the Covered Bondholder and the Issuer's ordinary creditors. If such challenge is not made this could ultimately result in a reduction in the return to the Covered Bondholders.

### ***Unavailability of funds in a bankruptcy***

Neither the Issuer nor an administrator in bankruptcy would be allowed to issue covered bonds in a bankruptcy of the Issuer.

Whilst there can be no assurance as to the actual ability of the bankruptcy estate to raise post-bankruptcy liquidity in other ways, the Swedish Act on Issuance of Covered Bonds gives the administrators-in-bankruptcy a broad mandate to enter into loan, derivative, repo and other transactions on behalf of the bankruptcy estate with a view to attaining matching of cash flows, currencies, interest rates and interest periods between assets in the cover pool, covered bonds and derivative contracts. The administrators-in-bankruptcy may also raise liquidity by , for

example, selling assets in the cover pool in the market. If the bankruptcy estate is not able to raise sufficient liquidity, this could result in Covered Bondholders not being paid in a timely manner.

### **Overcollateralisation**

There is no requirement to obtain or maintain any credit rating of the Issuer and/or Covered Bonds, and any credit rating may be revised, suspended or withdrawn by the rating agency at any time (see "*Credit ratings may not reflect all risks*" for further details). Any rating of the Covered Bonds is based on an assumption of a certain level of overcollateralisation, and the relevant rating agencies may change the level of overcollateralisation that is required for maintaining the rating of the Covered Bonds from time to time. The terms and conditions of the Covered Bonds do not require the Issuer to maintain the overcollateralisation of the Covered Bonds at the original level or the level required by the relevant rating agencies or to increase the overcollateralisation of the Covered Bonds in the event that the rating agencies require an increase to maintain the rating, and the Issuer cannot guarantee that a certain rating of the Covered Bonds will be maintained throughout the term of the Covered Bonds. Such change in the rating of the Covered Bonds may adversely affect the market value of the Covered Bonds.

### **Legal risks**

Covered Bonds are mainly regulated in the Swedish Act on Issuance of Covered Bonds and the Swedish Rights of Priority Act. The Swedish Act on Issuance of Covered Bonds entered into force in 2004 and was most recently amended in 2022. It is not established how certain rules of the Swedish Act on Issuance of Covered Bonds should be construed and applied, and/or whether future amendments to the Swedish Act on Issuance of Covered Bonds or applicable guidelines or regulations issued by the SFSA will have an impact on the Covered Bonds. Any such change could materially adversely impact the value of any investments affected by it.

### **No gross-up in respect of the Covered Bonds**

Under the Terms and Conditions of the Covered Bonds, all payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction unless the withholding or deduction of such taxes is required by law, in which case such deduction will be made by or on behalf of the Issuer.

In the event that any such withholding or deduction is required by law, the Terms and Conditions of the Covered Bonds do not require the Issuer to pay any additional amounts in respect of such withholding or deduction; therefore, the Covered Bondholders may not receive the full amount of payments in respect of the Covered Bonds.

### **The Covered Bonds contain no event of default provisions that allow the Covered Bonds to be accelerated**

The Terms and Conditions of the Covered Bonds do not include any event of default provisions (including any event of default for non-payment) the occurrence of which would entitle Covered Bondholders to accelerate the Covered Bonds and it is envisaged that holders will only be paid scheduled interest payments under the Covered Bonds as and when they fall due under the Terms and Conditions of the Covered Bonds. For the avoidance of doubt, neither any Covered Bonds which are also green bonds will include any events of default relating to the Issuer. The only remedies available to Covered Bondholders are to sue in respect of non-payment or petition for the bankruptcy of the Issuer. The absence of any events of default from the Terms and Conditions of the Covered Bonds may make it less likely that holders will recoup their investment in full in the event that the Issuer experiences financial distress. See the section "*Overview of the Swedish Legislation Regarding Covered Bonds*" for a description of the holders' remedies in the event of the Issuer's bankruptcy.

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

#### **The secondary market generally**

Notes and Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes or Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes and Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes and Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

***Exchange rate risks and exchange controls***

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

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

***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Notes and/or Covered Bonds. Any such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes and Covered Bonds. 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 or Covered Bonds. For the avoidance of doubt, the Issuer does not commit to ensure that any specific rating of any Tranche of Notes or Covered Bonds will be upheld nor that any credit rating agency rating the Notes or Covered Bonds will remain the same.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EU, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

If the status of the rating agency rating the Notes or Covered Bonds changes for the purposes of the EU CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA, and the Notes or Covered Bonds may have a different regulatory treatment. This may result in relevant regulated investors selling their Notes or Covered Bonds, which may impact the value of the Notes or Covered Bonds in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out in "*Form of Final Terms*" below and will be disclosed in the applicable Final Terms.

## DOCUMENTS INCORPORATED BY REFERENCE

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The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the SFSA, shall be incorporated in, and form part of, this Base Prospectus:

- (i) the unaudited financial statements of the Issuer for the three months ended 31 March 2024 (including the information set out at the following pages of the Issuer's Interim Report, January – March 2024 (the **2024 First Quarter Interim Report**) in particular) (available for viewing at: [landshypotek-bank-interim-report-q1-2024-eng.pdf](#)):

Income Statement	Page 11
Statement of Comprehensive Income	Page 11
Balance Sheet	Page 12
Cash-flow Statement	Page 13
Statement of Changes in Equity	Page 13
Notes	Pages 14 to 26
Alternative Performance Measures	Pages 27 to 28

- (ii) the auditor's report and audited annual financial statements of the Issuer for the financial year ended 31 December 2023 (including the information set out at the following pages of the Issuer's 2023 Annual Report (the **2023 Annual Report**) in particular) (available for viewing at: <https://www.landshypotek.se/globalassets/dokument/finansiell-info/finansiella-rapporter/landshypotek-bank---annual-report-2023.pdf>):

Income Statement	Page 34
Statement of Comprehensive Income	Page 35
Balance Sheet	Page 36
Statement of Changes in Equity	Page 37
Cash-flow Statement	Page 38
Alternative Performance Measures	Pages 40 to 41
Notes	Pages 42 to 81
Auditor's Report	Pages 107 to 110

- (iii) the auditor's report and audited annual financial statements of the Issuer for the financial year ended 31 December 2022 (including the information set out at the following pages of the Issuer's 2022 Annual Report (the **2022 Annual Report**) in particular) (available for viewing at: [https://www.landshypotek.se/globalassets/dokument/finansiell-info/finansiella-rapporter/landshypotek-bank---annual-report-2022\\_eng.pdf](https://www.landshypotek.se/globalassets/dokument/finansiell-info/finansiella-rapporter/landshypotek-bank---annual-report-2022_eng.pdf)):

Income Statement	Page 58
Statement of Comprehensive Income	Page 59
Balance Sheet	Page 60
Statement of Changes in Equity	Page 61
Cash-flow Statement	Page 62
Alternative Performance Measures	Pages 64 to 65

Notes	Pages 66 to 105
Auditor's Report	Pages 106 to 108

- (iv) the terms and conditions of the Notes and Covered Bonds contained in previous Base Prospectuses prepared by the Issuer in connection with the Programme dated:
- (A) 3 May 2019 (pages 81 to 188 (inclusive)) (available for viewing at: <https://www.landshypotek.se/globalassets/dokument/finansiell-info/emtn/landshypotek-emtn-2019-oc.pdf>);
  - (B) 4 May 2020 (pages 81 to 208 (inclusive)) (available for viewing at: [https://www.landshypotek.se/globalassets/dokument/finansiell-info/upplaningsprogram/offering-circular-landshypotek-bank-emtn-2020\\_final.pdf](https://www.landshypotek.se/globalassets/dokument/finansiell-info/upplaningsprogram/offering-circular-landshypotek-bank-emtn-2020_final.pdf)) and the supplement dated 27 November 2020 (pages 1-3 (inclusive)) (available for viewing at: <https://www.landshypotek.se/globalassets/dokument/finansiell-info/emtn/landshypotek-emtn-programme-2020-11-27-supplement-no.-2.pdf>);
  - (C) 7 May 2021 (pages 87 to 208 (inclusive)) (available for viewing at: <https://www.landshypotek.se/globalassets/dokument/finansiell-info/emtn/10.-offering-circular-landshypotek-bank-emtn-2021.pdf>);
  - (D) 19 May 2022 (pages 53 to 148 (inclusive)) (available for viewing at: <https://www.landshypotek.se/globalassets/dokument/finansiell-info/mtn/landshypotek-bank---nordic-mtn-base-prospectus-final-version-19-may-2022.pdf>); and
  - (E) 15 June 2023 (pages 52 to 146 (inclusive)) (available for viewing at: <https://www.landshypotek.se/globalassets/dokument/finansiell-info/nmtn/landshypotek-bank-ab-publ---nordic-ntm-base-prospectus-2023-.pdf>).

The information not included in the cross-reference list is not incorporated by reference and is considered to be either not relevant for investors or covered elsewhere in this Base Prospectus. Any information on the Issuer's website does not form part of this Base Prospectus and has not been scrutinised or approved by the competent authority unless incorporated by reference into this Base Prospectus.

The Issuer's annual reports have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the Swedish Annual Report Act (*årsredovisningslagen (1995:1554)*). With the exception of the Annual Reports for 2022 and 2023, no information in this Base Prospectus has been audited or reviewed by the Issuer's auditor.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the SFSA in accordance with Article 23 of the EU Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any documents themselves incorporated by reference in any document incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes and/or Covered Bonds, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes or Covered Bonds, as applicable.

## **FORM OF THE NOTES AND FORM OF THE COVERED BONDS**

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*Words and expressions defined in "Terms and Conditions of the ES Notes", "Terms and Conditions of the VPS Notes", "Terms and Conditions of the ES Covered Bonds" and "Terms and Conditions of the VPS Covered Bonds" below shall have the same meanings in this section.*

### **ES NOTES AND ES COVERED BONDS**

Each Tranche of ES Notes and ES Covered Bonds will be issued in registered, uncertificated and dematerialised book entry form in accordance with the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) as amended (the **SFIA Act**). Any reference to **ES Noteholders** or **ES Bondholders** shall mean the holders of any ES Notes or ES Covered Bonds (as applicable) and shall be construed as provided below. The ES Noteholder or the ES Bondholder will be the person evidenced as such by the book-entry system and register (the **Euroclear Sweden Register**) for such ES Note or ES Covered Bond maintained by Euroclear Sweden on behalf of the Issuer. Where a nominee (*förvaltare*) in accordance with the SFIA Act is so evidenced, it shall be treated by the Issuer as the ES Noteholder or ES Covered Bondholder.

Title to the ES Notes or ES Covered Bonds will pass by way of registration in the Euroclear Sweden Register, perfected in accordance with the legislation (including the SFIA Act), rules and regulations applicable to and/or issued by Euroclear Sweden that are in force and effect from time to time. Upon the issue of ES Notes and/or ES Covered Bonds, the Issuer will send a copy of the applicable Final Terms to the Issuing Agent.

Settlement of sale and purchase transactions in respect of the ES Notes or ES Covered Bonds in Euroclear Sweden will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant ES Notes will take place in accordance with the rules and procedures for the time being of Euroclear Sweden.

### **VPS NOTES AND VPS COVERED BONDS**

Each Tranche of VPS Notes and VPS Covered Bonds will be issued in registered, uncertificated and dematerialised book-entry form. Legal title to the VPS Notes and VPS Covered Bonds will be evidenced by book entries in the records of the VPS. On the issue of such VPS Notes or VPS Covered Bonds, the Issuer will send a letter to the VPS Trustee, with copies to the VPS Agent (the **VPS Letter**), which letter will set out the terms of the relevant issue of VPS Notes or VPS Covered Bonds in the form of a Final Terms attached thereto. Upon delivery of a copy of such VPS Letter, including the relevant Final Terms, to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the account operator acting on behalf of the Issuer will credit each subscribing account holder with the VPS with a nominal amount of VPS Notes or VPS Covered Bonds equal to the nominal amount thereof for which it has subscribed and paid.

Any reference to **VPS Noteholders** or **VPS Covered Bondholders** shall mean the holders of any VPS Notes or VPS Covered Bonds and shall be construed as provided in the Terms and Conditions of the VPS Notes or VPS Covered Bonds (as applicable).

Settlement of sale and purchase transactions in respect of VPS Notes or VPS Covered Bonds in the VPS will take place two Oslo business days after the relevant transaction. Transfers of interests in the relevant VPS Notes or VPS Covered Bonds will only take place in accordance with the rules and procedures for the time being of the VPS.

## FORM OF FINAL TERMS

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*Set out below is the form of Final Terms which will be completed for each Tranche of Notes or, as the case may be, Covered Bonds issued under the Programme.*

*Words and expressions defined in "Terms and Conditions of the ES Notes", "Terms and Conditions of the VPS Notes", "Terms and Conditions of the ES Covered Bonds" and "Terms and Conditions of the VPS Covered Bonds" below shall have the same meanings in this section (as applicable).*

[Date]

**Landshypotek Bank AB (publ)**

**Legal entity identifier (LEI): 5493004WUGGU2BQI7F14**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes/Covered Bonds]**

**under the €10,000,000,000**

**Nordic Medium Term Note and Covered Bond Programme**

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Relevant Conditions set forth in the base prospectus dated [●] 2024 (the **Base Prospectus**) [as supplemented by the supplement[s] to it dated [ ] [and [ ]]] which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation. As used herein, **EU Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended). This document constitutes the Final Terms of the [Notes/Covered Bonds] described herein for the purposes of Article 8 of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all relevant information. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Issuer and copies may be obtained from the registered office of the Issuer. For each issue of [Notes/Covered Bonds], the Issuer will prepare the Final Terms for such issue and send a copy to the Issuing Agent.]

*[The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Relevant Conditions set forth in the base prospectus dated [3 May 2019 / 4 May 2020 / 7 May 2021 / 19 May 2022 / 15 June 2023] which are incorporated by reference in the Base Prospectus dated [●] 2024 (the **Base Prospectus**). This document constitutes the Final Terms of the [Notes/Covered Bonds] described herein for the purposes of Article 8 of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus [as supplemented by the supplement[s] to the Base Prospectus dated [ ] [and [ ]]] which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation, including the Relevant Conditions incorporated by reference in the Base Prospectus, in order to obtain all relevant information. As used herein, **EU Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended). The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Issuer and copies may be obtained from the registered office of the Issuer. For each issue of [Notes/Covered Bonds], the Issuer will prepare the Final Terms for such issue and send a copy to the Issuing Agent.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

1. Relevant Conditions:

[Terms and Conditions of the ES Notes as set out in the Base Prospectus dated [●] 2024 / Terms and Conditions of the VPS Notes as set out in the Base Prospectus dated [●] 2024 / Terms and Conditions of the ES Covered Bonds<sup>1</sup> as set out in the Base Prospectus dated [●] 2024 / Terms and

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<sup>1</sup> The definition "ES Covered Bond" replaced the previous definition "Swedish S.O. Bonds" in 2022, and the definitions shall for the purposes of these Final Terms be considered synonymous to each other.

Conditions of the VPS Covered Bonds as set out in the Base Prospectus dated [●] 2024]

2. (i) Series Number: [ ]
- (ii) Tranche Number: [ ]
- (iii) Date on which the [Notes/Covered Bonds] will be consolidated and form a single Series: [The [Notes/Covered Bonds] will be consolidated and form a single Series with [Provide issue amount/maturity date/issue date of earlier Tranches] on the Issue Date] [Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:
- Tranche: [ ]
- Series: [ ]
5. Issue Price: [ ] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (if applicable)
6. (a) Specified Denominations: [ ]
- (N.B. Notes and Covered Bonds must have a minimum denomination of €100,000 (or equivalent))
- (b) Calculation Amount: [ ]
- (N.B. Must be the same amount as Specified Denominations)
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.)
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [[ ] (specify)/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes or Covered Bonds, for example Zero Coupon Notes or Zero Coupon Covered Bonds)
8. Maturity Date: [Specify date]
9. Extended Final Maturity: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Statutory Extended Final Maturity: [Applicable/Not Applicable]
- (b) Statutory Extended Final Maturity Date: [Interest Payment Date falling in or nearest to [ ]]/[Not Applicable]



10. Interest Basis: [In respect of the period from [(and including)][(but excluding)] the Interest Commencement Date to [(but excluding)][(and including)] the Maturity Date:]
- (N.B. In the case of ES Notes and ES Covered Bonds, each period will commence on (but excluding) the Interest Commencement Date to (and including) the Maturity Date. In turn, in the case of VPS Notes and VPS Covered Bonds, each period will commence on (and including) the Interest Commencement Date to (but excluding) the Maturity Date.)*
- [[ ] per cent Fixed Rate]
- [Fixed Reset Notes]
- [[[ ] month  
[EURIBOR/STIBOR/NIBOR/SONIA/SOFR/€STR/  
specify other]] +/- [ ] per cent Floating Rate]
- [Zero Coupon]
- (see paragraph [15] [16] [17] [19] below)
- [In respect of the period [from (and including) [ ] to (but excluding) [ ] [from (and including) the Maturity Date to (but excluding) the Statutory Extended Final Maturity Date]:
- [1] month [EURIBOR/STIBOR/NIBOR/specify other] +/- [ ] per cent Floating Rate
- (see paragraph 18)
11. Redemption Basis: Subject to any purchase and cancellation or early redemption, the [Notes/Covered Bonds] will be redeemed on the Maturity Date at [100] [ ] per cent of their nominal amount
- (N.B. In the case of Notes other than Zero Coupon Notes or Covered Bonds other than Zero Coupon Covered Bonds, redemption must be at 100 per cent of their nominal amount)*
- (N.B. In the case of Zero Coupon Notes or Zero Coupon Covered Bonds, redemption must be at or above 100 per cent of their nominal amount)*
12. Change of Interest Basis: [Specify the date when any change of Interest Basis occurs and/or cross-refer to paragraphs 15, 16 and/or 17 below and identify there] [Not Applicable]
13. Put/ Call Options: [Investor Put]<sup>2</sup>
- [Issuer Call]
- [(see paragraph [20] [21] [22] [23] below)]
- [Not Applicable]

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<sup>2</sup> Not applicable to issues of Covered Bonds.

14. [(i)] [Status of the Notes: [Senior Preferred/Senior Non-Preferred/Subordinated]]<sup>3</sup>
- If Senior Non-Preferred Notes or Subordinated Notes include:*
- [Additional Amounts - Interest Only: [Applicable/Not Applicable]]
- [(ii)] Date Board approval of [ ]  
 [Notes/Covered Bonds] obtained: (N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes or Covered Bonds)

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate [Note/Covered Bond] [Applicable [from [(but excluding)] [ ] to [and including] [ ]]/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent per annum payable in arrears on each Interest Payment Date
- (ii) Interest Payment Date(s): [ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date [or the Statutory Extended final Maturity Date]
- [There will be a [long/short] [first/last] coupon in respect of the period from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [ ]]
- (iii) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (N.B. Only 30/360 can be applicable for ES Notes and ES Covered Bonds)*
16. Fixed Reset Note Provisions [Applicable [from [(but excluding)] [(and including)] [ ]]/Not Applicable]<sup>4</sup>
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Initial Interest Rate: [ ] per cent per annum payable in arrears on each Interest Payment Date]
- (ii) Interest Payment Date(s): [ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date
- [There will be a [long/short] [first/last] coupon in respect of the period from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)]]
- (iii) Fixed Coupon Amount to (but excluding) the First Reset Date: [[ ] per Calculation Amount/Not Applicable]
- (iv) Broken Amount(s): [[ ] per Calculation Amount will be payable on the Interest Payment Date falling on [ ] in respect of the period from

<sup>3</sup> Delete paragraph 14(i) in the case of an issue of Covered Bonds.

<sup>4</sup> Not applicable to issues of Covered Bonds.

- [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [Not Applicable]
- (v) Day Count Fraction: [30/360]
- (vi) Determination Date(s): [[ ] in each year] [Not Applicable]
- (vii) First Reset Date: [ ]
- (viii) Second Reset Date: [ ]/[Not Applicable]
- (ix) Subsequent Reset Date(s): [ ] [and [ ]]
- (x) First Reset Margin: [+/-] [ ] per cent per annum
- (xi) Subsequent Reset Margin(s): [+/-] [ ] per cent per annum / [ ]
- (xii) Relevant Screen Page: [ ]
- (xiii) Floating Leg Reference Rate: [ ]
- (xiv) Floating Leg Screen Page: [ ]
- (xv) Initial Mid-Swap Rate: [ ] per cent per annum (quoted on [an annual/semi annual basis])
- (xvi) Calculation Agent: [ ]/[Not Applicable]
17. Floating Rate [Note/Covered Bond] Provisions [Applicable [from [(but excluding)] [ ] to [(and including)] [ ]]/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ] / [ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date [or the Extended Final Maturity Date, as applicable, subject [in each case] to adjustment in accordance with the Business Day Convention specified in paragraph 17(ii) below]
- (N.B. Specify the Specified Period(s)/Specified Interest Payment Date(s) up to and including the Maturity Date, if applicable)*
- (ii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention]
- (iii) Additional Business Centre(s): [ ]/[Not Applicable]
- (iv) Party responsible for calculating (i) the Rate of Interest (if not the Issuing Agent) and (ii) the Interest Amount (if not the Issuer): [ ]/[Not Applicable] *(VPS Notes or Covered Bonds require the appointment of a Calculation Agent)*
- (v) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- Reference Rate: [ ] month  
[EURIBOR/STIBOR/NIBOR/SONIA/SOFR/€STR/  
*specify other*]
- Interest Determination Date(s): [ ]<sup>5</sup>  
*(Second day on which the T2 System is open prior to the start of each Interest Period if EURIBOR, second day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period if STIBOR or second day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period if NIBOR)*  
*(N.B. Specify the Interest Determination Date(s) up to and including the Maturity Date, if applicable)*
- Relevant Screen Page: [ ] [Refinitiv's page "STIBOR="]/[Refinitiv's page EURIBOR01]
- Financial Centre Time: [ ]  
*(11.00 a.m. (Brussels time, in the case of EURIBOR, or Stockholm time, in the case of STIBOR))*
- Calculation Method: [Weighted Average/Compounded Daily/Not Applicable]
- Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
- Observation Look-back Period: [ ]/[Not Applicable]<sup>6</sup>
- D: [365/360/[ ]/[Not Applicable]]
- (vi) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (vii) Margin(s): [ +/- ] [ ] per cent per annum
- (viii) Minimum Rate of Interest: [ ] per cent per annum
- (ix) Maximum Rate of Interest: [ ] per cent per annum
- (x) Day Count Fraction: [Actual/360]  
[30/360]  
[30E/360] [Eurobond Basis]  
*(N.B. Only Actual/360 and 30/360 can be applicable for ES Notes and ES Covered Bonds)*

<sup>5</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR.

<sup>6</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable"

18. Extended Final Maturity Interest Provisions: [Applicable from [(and including)][(but excluding)] the Maturity Date to [(but excluding)][(and including)] the earlier of (i) the Interest Payment Date on which the Covered Bonds are redeemed in full and (ii) the Date]/[Not /the Statutory Extended Final Maturity]] [and (iii) the Statutory Extended Final Maturity]/[Not Applicable]
- (NB: In the case of ES Covered Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ] / [ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date [or the Extended Final Maturity Date, as applicable, subject [in each case] to adjustment in accordance with the Business Day Convention specified in paragraph 18(ii) below]
- (N.B. Specify the Specified Period(s)/Specified Interest Payment Date(s) up to and including the Extended Final Maturity Date, if applicable)*
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (N.B. Only the Following Business Day Convention (unadjusted)/Modified Following Business Day Convention (adjusted) can be applicable for ES Notes and ES Covered Bonds)*
- (iii) Additional Business Centre(s): [ ]/[Not Applicable]
- (iv) Party responsible for calculating (i) the Rate of Interest (if not the Issuing Agent) and (ii) the Interest Amount (if not the Issuer): [ ]/[Not Applicable] *(VPS Covered Bonds require the appointment of a Calculation Agent)*
- (v) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [ ] month  
[EURIBOR/STIBOR/NIBOR/SONIA/SOFR/€STR/  
specify other]
- Interest Determination Date(s): [ ]<sup>7</sup>
- (Second day on which the T2 System is open prior to the start of each Interest Period if EURIBOR, second day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period if STIBOR or second day (other than a Saturday or Sunday) on which commercial*

<sup>7</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR.

*banks are open for general business (including dealings in foreign exchange and foreign currency deposits)*

*(N.B. Specify the Interest Determination Date(s) up to and including the Extended Final Maturity Date, if applicable)*

- Relevant Screen Page: [ ] [Refinitiv's page "STIBOR="]/[Refinitiv's page EURIBOR01]
  - Financial Centre Time: [ ]  
*(11.00 a.m. (Brussels time, in the case of EURIBOR or Stockholm time, in the case of STIBOR))*
  - Calculation Method: [Weighted Average/Compounded Daily/Not Applicable]
  - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
  - Observation Look-back Period: [ ]/[Not Applicable]<sup>8</sup>
  - D: [365/360/[ ]/[Not Applicable]]
  - (vi) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
  - (vii) Margin(s): [ +/- ] [ ] per cent per annum
  - (viii) Minimum Rate of Interest: [ ] per cent per annum
  - (ix) Maximum Rate of Interest: [ ] per cent per annum
  - (x) Day Count Fraction: [Actual/Actual]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30/360] [360/360] [Bond Basis]  
[30E/360] [Eurobond Basis]  
*(N.B. Only Actual/360 and 30/360 can be applicable for ES Notes and ES Covered Bonds)*
19. Zero Coupon [Note/Covered Bond] Provisions<sup>9</sup> [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [ ] per cent per annum
  - (ii) Reference Price: [ ]
  - (iii) Day Count Fraction in relation to [Early Redemption Amount] [Amortised Face Amount] [30/360] [Actual/360]

<sup>8</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable"

<sup>9</sup> Zero Coupon Notes and Zero Coupon Covered Bonds not to be issued with an Extended Final Maturity Date unless otherwise agreed with the Dealers.

(insert Amortised Face Amount [Actual/365]  
for Covered Bonds):

(N.B. Only Actual/360 and 30/360 can be applicable for ES  
Notes and ES Covered Bonds)

#### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of  
this paragraph)
- (i) Optional Redemption Date(s): [ ]/[Any date from [(and including)][(but excluding)] [ ] to  
[(but excluding)][(and including)]]
- (NB: In the case of ES Notes or ES Covered Bonds, each  
period will commence on (but excluding) the relevant date  
to (and including) the relevant date)
- (ii) Optional Redemption [ ] per Calculation Amount  
Amount(s):
- (iii) If redeemable in part:
- (a) Minimum Redemption [ ]/[Not Applicable]  
Amount:
- (b) Higher Redemption [ ]/[Not Applicable]  
Amount:
- (iv) Notice periods: [ ]  
(N.B. When setting notice periods the Issuer is advised to  
consider the practicalities of distribution of information  
through intermediaries, for example, clearing systems  
(which require a minimum of 5 clearing systems' business  
days' notice for a call) and custodians, as well as any other  
notice requirements which may apply, for example, as  
between the Issuer and the Issuing Agent)
21. Investor Put: [Applicable/Not Applicable]<sup>10</sup>  
(If not applicable, delete the remaining sub-paragraphs of  
this paragraph)
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption [ ] per Calculation Amount  
Amount(s):
- (iii) Notice periods: [ ]  
(N.B. When setting notice periods the Issuer is advised to  
consider the practicalities of distribution of information  
through intermediaries, for example, clearing systems  
(which require a minimum of 15 clearing systems' business  
days' notice for a put) and custodians, as well as any other  
notice requirements which may apply, for example, as  
between the Issuer and the Issuing Agent)

<sup>10</sup> Select "Not Applicable" in the case of Covered Bonds.

22. Optional Redemption for Senior Preferred Notes and Senior Non-Preferred Notes: [Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) MREL Disqualification Event Redemption: [Applicable – MREL Disqualification Event Redemption Amount: [ ] per Calculation Amount (*specify the amount payable on redemption for a MREL Disqualification Event*)/Not Applicable]
- (ii) Tax Event Redemption: [Applicable - Tax Event Early Redemption Amount: [ ] per Calculation Amount (*specify the amount payable on redemption for a Tax Event*)/Not Applicable]
- (iii) Variation or Substitution instead of Redemption: [Applicable – Condition 5.12 applies/Not Applicable]
23. Optional Redemption for Subordinated Notes: [Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Capital Event Redemption: [Applicable - Capital Event Redemption Amount: [ ] per Calculation Amount (*specify the amount payable on redemption for a Capital Event*)/Not Applicable]
- (ii) Tax Event Redemption: [Applicable - Tax Event Early Redemption Amount: [ ] per Calculation Amount (*specify the amount payable on redemption for a Tax Event*)/Not Applicable]
- (iii) Variation or Substitution instead of Redemption: [Applicable – Condition 5.12 applies/Not Applicable]
24. Final Redemption Amount: [ ] per Calculation Amount
25. Early Redemption Amount(s) payable [on redemption for taxation reasons or (*delete in the case of Senior Non-Preferred Notes and Subordinated Notes*)] on event of default: [[ ] per Calculation Amount] [Not Applicable] (*Insert 'Not Applicable' for Covered Bonds*)  
*(N.B. If the Final Redemption Amount is 100 per cent of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

**GENERAL PROVISIONS APPLICABLE TO THE [NOTES/COVERED BONDS]**

26. Form of [Notes/Covered Bonds]: [[VPS Notes/Covered Bonds]] ES [Notes/Covered Bonds] issued in registered, uncertificated and dematerialised book-entry form.]
27. Additional Financial Centre(s): [Not Applicable/*give details*]  
*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which sub-paragraphs 17(iii) and 18(iii) relate)*



Signed on behalf of Landshypotek Bank AB (publ):

By: .....

*Duly authorised*

**PART B – OTHER INFORMATION****1. ADMISSION TO TRADING**

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the [Notes/Covered Bonds] to be admitted to trading on the regulated market of [Nasdaq Stockholm AB (operated by Nasdaq Stockholm AB)] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the [Notes/Covered Bonds] to be admitted to trading on the regulated market of [Nasdaq Stockholm (operated by Nasdaq Stockholm AB)] with effect from [ ].]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading: [ ]

**2. RATINGS**

- Ratings: [The [Notes/Covered Bonds] [have been] [are expected to be] assigned the following ratings] [The following ratings reflect the ratings assigned to [Notes/Covered Bonds] of this type issued under the Programme generally]:

[ ] by [S&P Global Ratings, acting through S&P Global Ratings Europe Limited] *(Include a brief explanation of the meaning of the rating if published)*

*[Insert the legal name of the relevant credit rating agency entity] [is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended)] [ ] (Include a brief explanation of the meaning of the rating if published).*

[Not Applicable]

**3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the [Notes/Covered Bonds] has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. – *Amend as appropriate if there are other interests*]

**4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

- (i) Reasons for the offer: [ ] [See [”Use of Proceeds”] in the Base Prospectus / Give Details] *(See ”Use of Proceeds” wording in Base Prospectus – if reasons for offer differ from what is disclosed in the Base Prospectus, give details here.)*

/ [Green bonds – [financing][re-financing] investments related to [sustainable forestry][renewable

energy][green buildings][*specify other*] in accordance with the Issuer's green bond framework dated [●]

(ii) Estimated net proceeds: [ ]

5. **YIELD** (*Fixed Rate Notes/Covered Bonds only*)

Indication of yield: [Not Applicable] / [ ] per cent per annum

6. **OPERATIONAL INFORMATION**

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) Clearing system(s) and the relevant identification number(s): [Euronext Securities Oslo, Norway VPS Identification number [ ]]. The Issuer shall be entitled to obtain information from the register maintained by the VPS for the purpose of performing its obligations under the VPS [Notes/Covered Bonds]

[Euroclear Sweden, the Swedish Central Securities Depository (Euroclear Sweden identification number: [●]). The Issuing Agent shall be entitled to obtain information from the register maintained by Euroclear Sweden for the purpose of performing its obligations under the ES [Notes/Covered Bonds]]

(iv) Delivery: Delivery [against/free of] payment

(v) Names of Issuing Agent (if any): [ ] [Not Applicable]

(vi) Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the [Notes/Covered Bonds] are capable of meeting them the [Notes/Covered Bonds] may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the [Notes/Covered Bonds] will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

7. **DISTRIBUTION**

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated, names of Managers: [Not Applicable/*give names*]

(iii) Date of Subscription Agreement: [ ]

(iv) Stabilisation Manager(s) (if any): [Not Applicable/*give name(s)*]

(v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]

8. **THIRD PARTY INFORMATION**

[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

9. **PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

[Applicable] / [Not Applicable]

*(If the Notes or Covered Bonds clearly do not constitute "packaged" products or the Notes or Covered Bonds do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes or Covered Bonds may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

10. **[BENCHMARKS:**

Relevant Benchmark:

[[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][*appears*]/[*does not appear*]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011, as amended.]] / [[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*].]

## TERMS AND CONDITIONS OF THE ES NOTES

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*The following are the “Terms and Conditions of the ES Notes” (and for the purposes of this section, the “Terms and Conditions”).*

References herein to the ES Notes shall be references to the ES Notes of this Series and shall mean any registered, uncertificated and dematerialised ES Notes in book-entry form registered in the Swedish Central Securities Depository and Clearing Organisation Euroclear Sweden AB, incorporated in Sweden with registered number 556112-8074 (**Euroclear Sweden**).

Each ES Note will be one of a Series (as defined below) of ES Notes issued by Landshypotek Bank AB (publ) (the **Issuer**).

For any Series of ES Notes, the Issuer will, prior to the Issue Date of such Series, appoint an issuing agent (*administrerande institut*), specifically authorised by Euroclear Sweden to process and register issues in Euroclear Sweden, in connection with such Series of ES Notes, as specified in the applicable Final Terms (the **Issuing Agent**, which expression shall include any additional or successor issuing agent). The Issuer has entered into documentation with the Euroclear Sweden applicable to the issuing of ES Notes, which will set out the terms and conditions for admitting such ES Notes to the Swedish clearing and settlement system maintained by Euroclear Sweden (such agreement as amended and/or supplemented and/or restated from time to time, the **Euroclear Sweden Agreement**). Upon each issue of ES notes, the Issuer will prepare a separate application form applicable to such issue.

The final terms for each ES Note (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these Terms and Conditions. Reference herein to the applicable Final Terms are to Part A of the Final Terms (or the relevant provisions thereof) prepared by the Issuer in relation to the ES Notes. The expression EU Prospectus Regulation means Regulation (EU) 2017/1129 (as amended).

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

The Issuer may from time to time be required to appoint an independent calculation agent that when necessary shall carry out certain determination and calculation tasks related as set out in these Terms and Conditions (a Calculation Agent). The Issuer undertakes to appoint a Calculation Agent if and when required.

In these Terms and Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

### 1. FORM, DENOMINATION AND TITLE

The ES Notes are in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) as amended (the **SFIA Act**), in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. ES Notes of one Specified Denomination may not be exchanged for ES Notes of another Specified Denomination.

An ES Note may be a Fixed Rate Note, a Fixed Reset Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

An ES Note may be a Senior Preferred Note, a Senior Non-Preferred Note or a Subordinated Note, as specified in the applicable Final Terms.

Title to the ES Notes shall pass by registration in the book-entry system and register maintained by Euroclear Sweden (the Euroclear Sweden Register). Except as ordered by a court of competent jurisdiction or as required by law, any ES Noteholder shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the ES Noteholder. In these Conditions in relation to ES Notes only, ES Noteholder means, as the context requires, the person in whose name an ES Note is registered in the Euroclear Sweden Register and shall also include any

person duly authorised to act as a nominee (*förvaltare*) and registered as an ES Noteholder. Where a nominee (*förvaltare*) in accordance with the SFIA Act is so evidenced, it shall be treated by the Issuer and the Issuing Agent as the ES Noteholder.

One or more ES Notes may be transferred in accordance with the regulations and operating procedures applicable to and/or issued by Euroclear Sweden from time to time (the **Euroclear Sweden Rules**). No ES Noteholder may require the transfer of an ES Note to be registered during a period which is the equivalent of any such closed period (if any) pursuant to the then applicable rules and procedures of Euroclear Sweden.

Exchange and transfer of ES Notes on registration, transfer, partial redemption or exercise of a call or a put option shall be effected without charge by or on behalf of the Issuer or the Issuing Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuing Agent may require).

ES Notes registered in Euroclear Sweden are negotiable instruments and not subject to any restrictions on free negotiability under Swedish law.

## 2. STATUS OF THE ES NOTES

### 2.1 Status – Senior Preferred Notes

- (a) This Condition 2.1(a) is applicable in relation to ES Notes specified in the applicable Final Terms as being Senior Preferred Notes and references to ES Notes in this Condition 2.1(a) shall be construed accordingly.
- (b) Senior Preferred Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations and Senior Non-Preferred Liabilities, if any) of the Issuer, from time to time outstanding.
- (c) No ES Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be 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 the Senior Preferred Notes held by such ES Noteholder.

### 2.2 Status – Senior Non-Preferred Notes

- (a) This Condition 2.2 is applicable in relation to ES Notes specified in the applicable Final Terms as being Senior Non-Preferred Notes and references to ES Notes in this Condition 2.2 shall be construed accordingly.
- (b) Senior Non-Preferred Notes constitute unsubordinated and unsecured obligations, with Senior Non-Preferred Ranking, of the Issuer. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the ES Noteholders to payments on or in respect of such ES Notes shall rank:
  - (i) *pari passu* without any preference among themselves;
  - (ii) *pari passu* with the rights of holders of all other Senior Non-Preferred Liabilities of the Issuer;
  - (iii) senior to the rights of holders of any subordinated obligation of the Issuer, including any subordinated obligation of the Issuer which constitutes, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital or any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument, which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities of the Issuer;
  - (iv) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and
  - (v) junior in right of payment to any present or future claims of (i) depositors of the Issuer, and (ii) other unsubordinated creditors of the Issuer (including holders of

Senior Preferred Notes) that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer.

The Issuer reserves the right to issue further notes and other obligations in the future, which may rank senior to, or *pari passu* with, the Senior Non-Preferred Notes.

- (c) No ES Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be 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 the Senior Non-Preferred Notes held by such ES Noteholder.

### 2.3 Status – Subordinated Notes

- (a) This Condition 2.3 is applicable in relation to ES Notes specified in the applicable Final Terms as being Subordinated Notes and references to ES Notes in this Condition 2.3 shall be construed accordingly.
- (b) Subordinated Notes constitute subordinated and unsecured obligations of the Issuer. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the ES Noteholders to payments on or in respect of such ES Notes shall rank:
- (i) *pari passu* without any preference among themselves;
  - (ii) at least *pari passu* with the rights of holders of all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital;
  - (iii) senior to the rights of holders of any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument;
  - (iv) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and
  - (v) junior in right of payment to any present or future claims of (i) depositors of the Issuer, (ii) other unsubordinated creditors of the Issuer, and (iii) subordinated creditors of the Issuer whose rights are expressed to rank in priority to the ES Noteholders.

The Issuer reserves the right to issue further subordinated notes and other subordinated obligations in the future, which may rank senior to, or *pari passu* with, the Subordinated Notes.

- (c) No ES Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be 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 the Subordinated Notes held by such ES Noteholder.

As used herein:

**Additional Tier 1 Capital** means Additional Tier 1 capital (*Primärkapital*) as defined in Part 2 Chapter 3 of the CRR or in any other Capital Regulations, in each case as amended or replaced;

**Additional Tier 1 Instrument** means (i) any instruments of the Issuer that at the time of issuance comply with the then current requirements under Capital Regulations in relation to Additional Tier 1 Capital, and (ii) any instrument, security or other obligation of the Issuer which ranks, or is expressed to rank, on a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, *pari passu* with Additional Tier 1 Instruments;

**Applicable MREL Regulations** means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Sweden giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer or the Landshypotek Consolidated Situation, as the case may be, including, without limitation to the generality of the foregoing, CRD IV, the BRRD, the Swedish Resolution Act (*lag (2015:1016) om resolution*) and the Swedish National Debt Office Regulations RKGFS 2015:2 and 2016:1 (*Riksgäldskontorets föreskrifter RKGFS 2015:2 och 2016:1*) (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied

generally or specifically to the Issuer or the Landshypotek Consolidated Situation, as the case may be);

**BRRD** means the Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15th May, 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Swedish law transposing or implementing such Directive), as amended or replaced from time to time;

**Capital Regulations** means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Sweden including, without limitation to the generality of the foregoing, CRD IV, and those regulations, requirements, guidelines and policies relating to capital adequacy adopted by the Competent Authority from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or to the Landshypotek Consolidated Situation);

**Competent Authority** means, in relation to the Issuer or the Landshypotek Consolidated Situation, as the case may be (i) (in respect of the Senior Non-Preferred Notes) the Swedish National Debt Office (*Riksgäldskontoret*) (in its capacity as resolution authority) or any successor or replacement thereto and/or such other authority which has the primary responsibility for the prudential oversight and supervision of the Issuer or the Landshypotek Consolidated Situation, as the case may be, under the Applicable MREL Regulations and (ii) (in respect of the Subordinated Notes) the Swedish Financial Supervisory Authority (*Finansinspektionen*) and any successor or replacement thereto, and/or such other authority which has the primary responsibility for the prudential oversight and supervision of the Issuer or the Landshypotek Consolidated Situation, as applicable, under the Capital Regulations;

**CRD IV** means, as the context requires, any or any combination of the CRD IV Directive, the CRR and/or 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 dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

**CRD IV Implementing Measures** means any regulatory capital rules or regulations or other requirements, which are applicable to the Issuer and/or the Landshypotek Consolidated Situation and which prescribe (alone or in conjunction with any other rules or regulations or requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer and/or the Landshypotek Consolidated Situation to the extent required by the CRD IV Directive or the CRR, including, for the avoidance of doubt and without limitation, any regulatory technical standards, guidelines, recommendations and/or opinions released from time to time by the European Banking Authority (or any successor or replacement thereof) or the Competent Authority, as the case may be;

**CRR** means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

**Landshypotek Consolidated Situation** means the Parent, the Issuer, the Issuer's Subsidiaries and any other entities which are part of the Swedish prudential consolidated situation (as such term is used in the Capital Regulations) of which the Issuer is a part, from time to time;

**MREL Eligible Liabilities** means "eligible liabilities" (or any equivalent or successor term) which are available to meet any MREL Requirement (howsoever called or defined by the Applicable MREL Regulations) of the Issuer or the Landshypotek Consolidated Situation, as the case may be, under the Applicable MREL Regulations;

**MREL Requirement** means the minimum requirement for own funds and eligible liabilities which is applicable to the Issuer or the Landshypotek Consolidated Situation, as the case may be;

**Parent** means Landshypotek Ekonomisk Förening (Reg. No. 769600-5003);

**Senior Non-Preferred Liabilities** means liabilities and obligations having Senior Non-Preferred Ranking;



**Senior Non-Preferred Ranking** means the ranking set out in the second sentence of the first paragraph of Section 18 of the Swedish Rights of Priority Act (*18 § första stycket andra meningen förmånsrättslagen (1970:979)*) for claims attributable to such debt instruments as are referred to in Chapter 21, Section 15, paragraph 3 b of the Swedish Resolution Act (*21 kap. 15 § 3 b lagen (2015:1016) om resolution*), as such legislative references may be amended or replaced from time to time; and

a **Subsidiary** of a company or corporation shall be construed as a reference to any company or corporation:

- (a) which is controlled, directly or indirectly, by the first-mentioned company or corporation;
- (b) more than half the equity or issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first-mentioned company or corporation; and

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

For the purposes of this Condition 2.3, **Tier 2 Capital** means any instrument or security of the Issuer which is recognised as Tier 2 capital (*supplementärkapital*) (as defined in Part 2 Chapter 4 of the CRR or in any other Capital Regulations, in each case as amended or replaced) of the Issuer, at the time of its issue, by the Competent Authority.

### 3. INTEREST

#### 3.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (but excluding) the Interest Commencement Date to (and including) the Maturity Date.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Fixed Rate Note and, in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.1: **30/360**, the number of days in the period from (but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (and including) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

In these Terms and Conditions:

**Determination Date** has the meaning specified in the applicable Final Terms;

**Determination Period** means the period from (but excluding) a Determination Date) to (and including) the next Determination Date);

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

**Interest Commencement Date** has the meaning specified in the applicable Final Terms;

**Interest Payment Date** has the meaning specified in the applicable Final Terms; and

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

### 3.2 Interest on Fixed Reset Notes

Each Fixed Reset Note bears interest:

- (a) from (but excluding) the Interest Commencement Date to (and including) the First Reset Date) at the rate per annum equal to the Initial Interest Rate;
- (b) from (but excluding) the First Reset Date to (and including) the Second Reset Date or, if none, the Maturity Date) (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and
- (c) if applicable, from (but excluding) the Second Reset Date to (and including) the first Subsequent Reset Date (if any), and each successive period, from (but excluding) any Subsequent Reset Date) to (and including) the next succeeding Subsequent Reset Date (if any) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrears on the Interest Payment Date(s) in each year up to (and including) the Maturity Date).

The provisions of Condition 3.3(f) shall apply to the Fixed Reset Notes, as applicable, in respect of any determination by the Issuing Agent of the Rate of Interest for a Reset Period, as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Issuing Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 3.2. Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 3.1 shall apply to the Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Terms and Conditions:

**Business Day** has the meaning specified in Condition 3.3(a);

**First Reset Date** has the meaning specified in the applicable Final Terms;

**First Reset Margin** has the meaning specified in the applicable Final Terms;

**First Reset Rate** means the sum of the First Reset Margin and the Mid-Swap Rate for the First Reset Period;

**Initial Interest Rate** has the meaning specified in the applicable Final Terms;

**Initial Mid-Swap Rate** has the meaning specified in the applicable Final Terms;

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

**Reference Banks** means five leading swap dealers in the inter-bank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Issuer or its duly appointed agent;

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

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

**Reset Date** means the First Reset Date, the Second Reset Date or any Subsequent Reset Date, as the case may be;

**Reset Determination Date** means the second Business Day immediately preceding the relevant Reset Date;

**Reset Margin** means the First Reset Margin or any Subsequent Reset Margin, as the case may be;

**Reset Period** means the First Reset Period or any Subsequent Reset Period, as the case may be;

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

**Reset Rate** means the First Reset Rate or any Subsequent Reset Rate, as the case may be;

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

**Second Reset Date** has the meaning specified in the applicable Final Terms;

**Subsequent Reset Date(s)** has the meaning specified in the applicable Final Terms;

**Subsequent Reset Margin(s)** has the meaning specified in the applicable Final Terms; and

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

### 3.3 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (but excluding) the Interest Commencement Date) and such interest will be payable in arrears on either:

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

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (but excluding) an Interest Payment Date (or, as the case may be, the Interest Commencement Date) to (and including) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 3.3(a)(ii), the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the real-time gross settlement system operated by the Eurosystem (the **T2 System**) is open.

(b) Rate of Interest

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

(i) Screen Rate Determination for Floating Rate Notes

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

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,  
(expressed as a percentage rate per annum) for the Reference Rate (being any of EURIBOR or STIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information)

as at the Financial Centre Time specified in the applicable Final Terms on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Issuing Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Issuing Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Issuing Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Issuer will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to, the aggregate outstanding nominal amount of the ES Notes and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.3:

- (i) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (ii) if **30/360** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M2** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D1** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case **D1** will be 30; and

*D2* is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and *DI* is greater than 29, in which case *D2* will be 30;

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Issuing Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer shall instruct the Issuing Agent to determine such rate at such time and by reference to such sources as the Issuer notifies to it.

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

(f) Notification of Rate of Interest and Interest Amounts

The Issuing Agent will cause the Rate of Interest for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the Floating Rate Notes are for the time being listed. For the purposes of this paragraph, the expression Stockholm Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Stockholm.

### 3.4 Benchmark Replacement

Notwithstanding the foregoing provisions of this Condition 3, if the Issuer (in consultation with the Issuing Agent) (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Rate or Reference Rate (as applicable), the following provisions shall apply:

- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (in consultation with the Issuer) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) no later than five Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the ES Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 3.4);
- (b) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Mid-Swap Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Mid-Swap Rate or Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (c) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (b), the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Mid-Swap

Rate or Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Mid-Swap Rate or Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided, however, that* if this sub-paragraph (c) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the date falling not less than five Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this sub-paragraph (c), the Mid-Swap Rate or Reference Rate applicable to such Reset Period or Interest Period (as applicable) shall be equal to the Mid-Swap Rate or Reference Rate (as applicable) for a term equivalent to the relevant Interest Period or Reset Period published on the Relevant Screen Page as at the last preceding Reset Date or Interest Determination Date (as applicable) (though substituting, where a different First Reset Margin, Subsequent Reset Margin or Margin (as applicable) is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period, the First Margin, Subsequent Margin or Margin (as applicable) relating to the relevant Reset Period or Interest Period, in place of the margin relating to that last preceding Reset Period or Interest Period);

- (d) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the ES Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 3.4);
- (e) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (f) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) may also specify changes to the definitions of Day Count Fraction, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Mid-Swap Rate or Reference Rate applicable to the ES Notes, and the method for determining the fallback rate in relation to the ES Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the ES Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 3.4); and
- (g) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (f) to the Issuing Agent and the ES Noteholders.

Notwithstanding any other provision of this Condition 3.4, if in the relevant Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3.4, the relevant Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

Such benchmark replacement shall not impose more onerous obligations on the party responsible for determining the Rate of Interest or expose it to any additional duties or liabilities unless such party consents.

Notwithstanding any other provision of this Condition 3.4, no Successor Rate or Alternative Benchmark Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the ES Notes will be made pursuant to this Condition 3.4, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Senior Preferred Notes or Senior Non-Preferred Notes as MREL Eligible Liabilities or the relevant Series of Subordinated Notes as Tier 2 Capital of the Issuer or the Landshypotek Consolidated Situation, as the case may be.

In the case of Senior Non-Preferred Notes only, no Successor Rate or Alternative Benchmark Rate (as applicable) will be adopted, and no other amendments to the terms of such ES Notes will be made to this Condition 3.4, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Competent Authority under the Applicable MREL Regulations treating a future Interest Payment Date as the effective maturity of the ES Notes, rather than the relevant Maturity Date.

In these Terms and Conditions:

**Adjustment Spread** means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Mid-Swap Rate or Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Mid-Swap Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or
- (b) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to ES Noteholders as a result of the replacement of the Mid-Swap Rate or Reference Rate (as applicable) with the Successor Rate or Alternative Benchmark Rate (as applicable);

**Benchmark Event** means:

- (a) the relevant Mid-Swap Rate or Reference Rate (as applicable) has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered;
- (b) public statement by the administrator of the relevant Mid-Swap Rate or Reference Rate (as applicable) that it will cease publishing such Mid-Swap Rate or Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Mid-Swap Rate or Reference Rate);
- (c) public statement by the supervisor of the administrator of the relevant Mid-Swap Rate or Reference Rate (as applicable) that such Mid-Swap Rate or Reference Rate has been or will be permanently or indefinitely discontinued;
- (d) a public statement by the supervisor of the administrator of the relevant Mid-Swap Rate or Reference Rate (as applicable) that means that such Mid-Swap Rate or Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (e) it has or will become unlawful for a Calculation Agent, the Issuing Agent or the Issuer to calculate any payments due to be made to any ES Noteholder using the relevant Mid-Swap



Rate or Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable);

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

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

**Successor Rate** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (in consultation with the Issuer) determines is a successor to or replacement of the relevant Mid-Swap Rate or Reference Rate (as applicable) which is formally recommended by any Relevant Nominating Body Independent Adviser.

### 3.5 **Accrual of interest**

Each ES Note (or in the case of the redemption of part only of an ES Note, that part only of such ES Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused or, in the case of Senior Non-Preferred Notes or Subordinated Notes, the permission of the Competent Authority for payment of principal (if required) has not been given or, having been given, has been withdrawn and not replaced and such payment is not made. In such event, interest will continue to accrue until the date on which all amounts due in respect of such ES Note have been paid.

## 4. **PAYMENTS**

### 4.1 **Method of payment**

Payments of principal and/or interest in respect of the ES Notes shall be made to the ES Noteholders which are registered in the Euroclear Sweden Register as such on the fifth business day (as defined by the then applicable Euroclear Sweden Rules) before the due date for such payment, such day being a Stockholm Business Day, or such other business day falling closer to the due date as then may be stipulated in Euroclear Sweden Rules. Such day shall be the **Record Date** in respect of the ES Notes in accordance with the Euroclear Sweden Rules. Payment will be made in accordance with the Euroclear Sweden Rules.

In these Terms and Conditions, **Stockholm Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Stockholm.

### 4.2 **Payment Day**

If the date for payment of any amount in respect of any ES Note is not a Payment Day, the ES Noteholder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, Payment Day means any day which (subject to Condition 7) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than SEK, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the T2 System is open.

### 4.3 Interpretation of principal and interest

Any reference in these Terms and Conditions to principal in respect of the ES Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 6;
- (b) the Final Redemption Amount of the ES Notes;
- (c) the Early Redemption Amount of the ES Notes;
- (d) the Tax Event Early Redemption Amount of the ES Notes;
- (e) the Optional Redemption Amount(s) (if any) of the ES Notes;
- (f) the MREL Disqualification Event Redemption Amount of the ES Notes;
- (g) the Capital Event Redemption Amount of the ES Notes;
- (h) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5.5); and
- (i) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the ES Notes. Any reference in these Terms and Conditions to interest in respect of the ES Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

## 5. REDEMPTION AND PURCHASE

### 5.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each ES Note will be redeemed by the Issuer at (i) if the ES Notes are not Zero Coupon Notes, 100 per cent of its nominal amount, or (ii) if the ES Notes are Zero Coupon Notes, its Final Redemption Amount specified in the applicable Final Terms, in each case, in the relevant Specified Currency on the Maturity Date.

### 5.2 Redemption for tax reasons

If Tax Event Redemption is specified as being applicable in the applicable Final Terms, the ES Notes may, subject as provided in Condition 5.11, be redeemed at the option of the Issuer in whole, but not in part, at any time (if the relevant ES Note is not a Floating Rate Note) or on any Interest Payment Date (if the relevant ES Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Issuing Agent and, in accordance with Condition 9, the ES Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption and (in respect of ES Notes) shall further specify the applicable closed period)), if a Tax Event occurs.

**Tax Event** means, as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the ES Notes, on the occasion of the next payment due under the ES Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6, provided that the Issuer satisfies the Competent Authority that such change in tax treatment of the ES Notes is material and was not reasonably foreseeable as at the Issue Date of the first Tranche of the ES Notes and provided further that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the ES Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Issuing Agent to make available at its specified office to the ES Noteholders (i) a certificate signed by two duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

ES Notes redeemed pursuant to this Condition 5.2 will be redeemed at their Tax Event Early Redemption Amount(s) specified in the applicable Final Terms, together with interest accrued to (and including) the date of redemption.

### 5.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject as provided in Condition 5.11, having given:

- (a) not less than 15 nor more than 30 days' notice to the ES Noteholders in accordance with Condition 9; and
- (b) not less than 15 days before the giving of the notice referred to in (i), notice to the Issuing Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption and shall further specify the applicable closed period), redeem all or some only of the ES Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (and including) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of ES Notes, the ES Notes to be redeemed (**Redeemed Notes**) will in accordance with the Euroclear Sweden Rules (to be reflected in the records of Euroclear Sweden as a reduction in nominal amount), in each case not more than 30 days prior to the date fixed for redemption.

### 5.4 Redemption at the option of the ES Noteholders (Investor Put)

This Condition 5.4 is applicable in relation to ES Notes specified in the applicable Final Terms as Senior Preferred Notes and references to ES Notes in this Condition 5.4 shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon any ES Noteholder giving to the Issuer in accordance with Condition 9 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such ES Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (and including) the Optional Redemption Date.

To exercise the right to require redemption of an ES Note, ES Noteholders must, within the notice period, give notice to the Issuing Agent of such exercise in accordance with the Euroclear Sweden Rules. In the case of such ES Notes, a Put Notice will not take effect against the Issuer before the date of which the relevant ES Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer by such Issuing Agent (such date will be the first date of a closed period).

Any Put Notice given by an ES Noteholder pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such ES Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such ES Note forthwith due and payable pursuant to Condition 8.

### 5.5 Early Redemption Amounts

For the purpose of Condition 5.2 and Condition 8:

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

Early Redemption Amount =  $RP \times (1 + AY)^x$  where:

**RP** means the Reference Price;

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

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

#### **5.6 Purchases**

The Issuer or any Subsidiary of the Issuer may, subject as provided in Condition 5.11, at any time purchase ES Notes at any price in the open market or otherwise. All ES Notes so purchased will be cancelled by the Issuer.

#### **5.7 Cancellation**

All ES Notes which are redeemed will forthwith be cancelled. All ES Notes so cancelled and the ES Notes purchased and cancelled pursuant to Condition 5.6 cannot be reissued or resold.

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

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5.1, 5.2, 5.3 or 5.4 or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5.5(b) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date on which all amounts due in respect of such Zero Coupon Note have been paid.

#### **5.9 Redemption at the option of the Issuer in case of an MREL Disqualification Event**

This Condition 5.9 applies only in the case of ES Notes specified in the applicable Final Terms as being Senior Preferred Notes or Senior Non-Preferred Notes in respect of which MREL Disqualification Event Redemption applies.

If a MREL Disqualification Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant MREL Disqualification Event, at its option, but subject as provided in Condition 5.11, give notice to the ES Noteholders in accordance with Condition 9 (which notice shall be irrevocable and shall specify the date fixed for redemption and shall further specify the applicable closed period)) that all (but not some only) of the outstanding ES Notes comprising the relevant Series shall be redeemed:

- (a) in the case of all ES Notes other than Floating Rate Notes, at any time within the period of not less than 30 nor more than 60 days from the date of such notice; or
- (b) in the case of Floating Rate Notes, (A) on any Interest Payment Date falling within the period of not less than 30 nor more than 60 days from the date of such notice or (B) if there is no Interest Payment Date falling within (A), on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at the MREL Disqualification Event Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued to (and including) the date of redemption. Upon the expiry of such notice, the Issuer shall redeem the ES Notes.

In these Terms and Conditions:

**MREL Disqualification Event** means, at any time, a change in the regulatory classification of the ES Notes pursuant to the Applicable MREL Regulations that results, or would be likely to result, in their exclusion in whole or in part from the MREL Eligible Liabilities of the Issuer and/or the Landshypotek Consolidated Situation, *provided that* an MREL Disqualification Event shall not occur

if such exclusion is or will be caused by (A) the remaining maturity of such ES Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (B) any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded.

#### **5.10 Redemption at the option of the Issuer in case of a Capital Event**

This Condition 5.10 applies only in the case of ES Notes specified in the applicable Final Terms as being Subordinated Notes in respect of which Capital Event Redemption applies.

If a Capital Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant Capital Event, at its option, but subject as provided in Condition 5.11, give notice to the ES Noteholders in accordance with Condition 9 (which notice shall be irrevocable and shall specify the date fixed for redemption and shall further specify the applicable closed period)) that all (but not some only) of the outstanding ES Notes comprising the relevant Series shall be redeemed:

- (a) in the case of all ES Notes other than Floating Rate Notes, at any time within the period of not less than 30 nor more than 60 days from the date of such notice; or
- (b) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 30 nor more than 60 days from the date of such notice or (2) if there is no Interest Payment Date falling within (1), on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at the Capital Event Redemption Amount specified in the applicable Final Terms, together with accrued interest to (and including) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall redeem the ES Notes.

In these Terms and Conditions:

**Capital Event** means, at any time, a change in the regulatory classification of the ES Notes pursuant to the Capital Regulations that results, or would be likely to result, in:

- (a) their exclusion in whole or in part from the regulatory capital of the Issuer and/or the Landshypotek Consolidated Situation; or
- (b) reclassification in whole or in part as a lower quality form of regulatory capital of the Issuer and/or the Landshypotek Consolidated Situation,

in each case, *provided that* (A) the Competent Authority considers such change in the regulatory classification of the ES Notes to be sufficiently certain, and (B) the Issuer satisfies the Competent Authority that such change in the regulatory classification of the ES Notes was not reasonably foreseeable as at the Issue Date of the first Tranche of the ES Notes.

#### **5.11 Redemption and Purchase only with Prior Approval**

No early redemption or purchase of ES Notes as contemplated by this Condition 5 may be made without the prior consent of the Competent Authority (if such permission is then required (in the case of Senior Preferred Notes or Senior Non-Preferred Notes) by the Applicable MREL Regulations or (in the case of Subordinated Notes) by the Capital Regulations).

#### **5.12 Variation or Substitution instead of Redemption**

This Condition 5.12 is applicable only where it is specified as being applicable in the applicable Final Terms.

If at any time a Capital Event occurs (if Capital Event Redemption is specified as being applicable in the applicable Final Terms in relation to the Subordinated Notes) or an MREL Disqualification Event occurs (if MREL Disqualification Event Redemption is specified as being applicable in the applicable Final Terms in relation to Senior Preferred or Senior Non-Preferred Notes) or a Tax Event occurs (if Tax Event Redemption is specified as being applicable in the applicable Final Terms), then the Issuer may, subject to the approval of the Competent Authority, without any requirement for the consent or approval of the ES Noteholders and having given not less than 30 nor more than 60 days' notice to the ES Noteholders in accordance with Condition 9 (which notice shall be irrevocable and shall specify the date fixed for redemption and shall further specify the applicable closed period)), at any time either substitute all (but not some only) of the ES Notes for, or vary the terms of the ES Notes

so that they remain or, as appropriate, become, Qualifying Securities (as defined below), *provided that* such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities that are inconsistent with the redemption provisions of the ES Notes.

In these Terms and Conditions:

**Qualifying Securities** means the Subordinated Qualifying Securities and/or the Senior Preferred Qualifying Securities and/or the Senior Non-Preferred Qualifying Securities (as applicable);

**Senior Non-Preferred Qualifying Securities** means, for the purpose of this Condition 5.12, securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favourable to an ES Noteholder than the terms of the Senior Non-Preferred Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (b) include a ranking at least equal to that of the Senior Non-Preferred Notes;
- (c) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred Notes;
- (d) have the same redemption rights as the Senior Non-Preferred Notes (although they need not contain all of the rights of the Issuer under Condition 5);
- (e) comply with the then current requirements of the Applicable MREL Regulations in relation to MREL Eligible Liabilities;
- (f) preserve any existing rights under the Senior Non-Preferred Notes to any accrued interest which has not been paid in respect of the period from (but excluding) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date);
- (g) are assigned (or maintain) the same or higher credit ratings as were assigned to the Senior Non-Preferred Notes immediately prior to such substitution or variation; and
- (h) are listed on a recognised stock exchange if the Senior Non-Preferred Notes were listed immediately prior to such substitution or variation;

**Senior Preferred Qualifying Securities** means for the purpose of this Condition 5.12, securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favourable to an ES Noteholder than the terms of the Senior Preferred Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (b) include a ranking at least equal to that of the Senior Preferred Notes;
- (c) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Preferred Notes;
- (d) have the same redemption rights as the Senior Preferred Notes (although they need not contain all of the rights of the Issuer under Condition 5);
- (e) comply with the then current requirements of the Applicable MREL Regulations in relation to MREL Eligible Liabilities;
- (f) preserve any existing rights under the Senior Preferred Notes to any accrued interest which has not been paid in respect of the period from (but excluding) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date);
- (g) are assigned (or maintain) the same or higher credit ratings as were assigned to the Senior Preferred Notes immediately prior to such substitution or variation; and
- (h) are listed on a recognised stock exchange if the Senior Preferred Notes were listed immediately prior to such substitution or variation;

**Subordinated Qualifying Securities** means, for the purpose of this Condition 5.12, securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favourable to an ES Noteholder than the terms of the Subordinated Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (b) include a ranking at least equal to that of the Subordinated Notes;
- (c) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes;
- (d) have the same redemption rights as the Subordinated Notes (although they need not contain all of the rights of the Issuer under Condition 5);
- (e) comply with the then current requirements of the Capital Regulations in relation to Tier 2 capital;
- (f) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (but excluding) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date);
- (g) are assigned (or maintain) the same or higher credit ratings as were assigned to the Subordinated Notes immediately prior to such substitution or variation; and
- (h) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such substitution or variation and

**Tier 2 capital** means Tier 2 capital (*supplementärkapital*) as defined in Part 2 Chapter 4 of the CRR or in any other Capital Regulations, in each case as amended or replaced.

For the avoidance of doubt, any terms of Qualifying Securities which are required by rules implementing The Basel Committee on Banking Supervision's press release of 13 January 2011 in relation to loss-absorption at the point of non-viability shall never be deemed materially less favourable to the ES Noteholder.

## 6. TAXATION

All payments of principal and interest in respect of the ES Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, save as provided in paragraph (a)(ii) (to the extent applicable), the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the ES Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the ES Notes, as the case may be, in the absence of such withholding or deduction; except that:

- (a) no such additional amounts shall be payable with respect to any ES Note:
  - (i) the ES Noteholder of which is liable for such taxes or duties in respect of such ES Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such ES Note; or
  - (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the ES Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 4.2); and
- (b) if "Additional Amounts - Interest Only" is specified to be applicable in the Final Terms, no such additional amounts shall be payable with respect to any such withholding or deduction imposed or levied on payments of principal in respect of such ES Note.

As used herein:

- (i) Tax Jurisdiction means the Kingdom of Sweden (Sweden) or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the Relevant Date means the date on which such payment first becomes due

## 7. PRESCRIPTION

The ES Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and three years (in the case of interest) after the Relevant Date (as defined in Condition 6(b)(ii)) therefor.

## 8. EVENTS OF DEFAULT

- (a) If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (i) the Issuer shall default in the payment of principal in respect of any ES Note due and payable in accordance with these Terms and Conditions or the Issuer shall default in the payment of interest due on any ES Notes on an Interest Payment Date or any other date on which the payment of interest is compulsory and any such default continues for five Stockholm Business Days; or
- (ii) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Issuer under the ES Notes) or the Issuer is otherwise declared bankrupt (*konkurs*) or put into liquidation (*likvidation*), in each case by a court or agency or supervisory authority in Sweden having jurisdiction in respect of the same,

any ES Noteholder may:

- (iii) (in the case of (i)) institute proceedings for the Issuer to be declared bankrupt or its winding-up or liquidation, in each case in the Kingdom of Sweden and not elsewhere, and prove or claim in the bankruptcy or liquidation of the Issuer; and/or
- (iv) (in the case of (ii)), prove or claim in the bankruptcy or liquidation of the Issuer, whether in the Kingdom of Sweden or elsewhere and instituted by the Issuer itself or by a third party,

but (in either case) such ES Noteholder may claim payment in respect of the ES Note only in the bankruptcy or liquidation of the Issuer.

- (b) In any of the events or circumstances described in (a)(i), any ES Noteholder may, by written notice addressed by the ES Noteholder thereof to the Issuer, and delivered to the Issuer or the Issuing Agent, effective upon the date of receipt thereof by the Issuer or the Issuing Agent, declare such ES Note to be due and payable, whereupon it shall become due and payable at the Early Redemption Amount (as described in Condition 5.5), together with accrued interest (if any), but subject to such ES Noteholder only being able to claim payment in respect of the ES Notes in the bankruptcy or liquidation of the Issuer.
- (c) Any ES Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the ES Notes (other than, without prejudice to Condition 8(a) or 8(b), any obligation for the payment of any principal or interest in respect of the ES Notes) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (d) No remedy against the Issuer, other than as provided in Condition 8(a), 8(b) and 8(c), shall be available to ES Noteholders, whether for the recovery of amounts owing in respect of the ES Notes or in respect of any breach by the Issuer of any of its obligations or undertakings under the ES Notes.



## 9. NOTICES

Notices will be in writing, addressed to ES Noteholders at the address appearing in the Euroclear Sweden Register maintained by Euroclear Sweden in accordance with Euroclear Sweden Rules, and will be deemed to have been validly given on the fourth Stockholm Business Day after the date of such mailing.

## 10. PROVISION OF INFORMATION

Each ES Noteholder agrees and gives consent to Euroclear Sweden to provide to the Issuing Agent, upon request, information registered with Euroclear Sweden relating to the ES Notes and the ES Noteholders in order that the Issuing Agent may provide any relevant Swedish authorities, including the Financial Supervisory Authority of Sweden (*Finansinspektionen*) and the Swedish tax authorities, with any information required under applicable Swedish laws. Such information shall include, but not be limited to, the identity of the registered ES Noteholder, the residency of the registered ES Noteholder, the number of ES Notes registered with the relevant ES Noteholder, the address of the relevant ES Noteholder, the account operator in respect of the relevant Euroclear Sweden account (*Kontoförande*) and whether or not the ES Notes are registered in the name of a nominee and the identity of any such nominee.

In order to comply with these Terms and Conditions, the Issuer and the Issuing Agent, may collect and process personal data about the ES Noteholder.

## 11. MEETINGS OF ES NOTEHOLDERS

- (a) The Issuing Agent is entitled to convene a meeting for the ES Noteholders of a Series of ES Notes and must convene a meeting for the ES Noteholders of a Series of ES Notes at the request of (i) the relevant Dealer(s) appointed in respect of the original issue of ES Notes (ii) the Issuer or (iii) ES Noteholders who, at the time of the request, represent at least one-tenth of the nominal amount outstanding of the relevant ES Notes for the time being outstanding.
- (b) The Issuing Agent shall convene a meeting of ES Noteholders of a Series of ES Notes or by written notice to each ES Noteholder, the Issuer and the relevant Dealer(s) within five Stockholm Business Days of the date on which the request was received from the Issuer, the requisitioning ES Noteholder(s) or the relevant Dealer(s) in accordance with paragraph (a) (or such later date as necessary for technical or administrative reasons only).
- (c) The Issuing Agent may refrain from convening a meeting of ES Noteholders if (i) the proposed resolution must be approved by a person in addition to the ES Noteholders and this person has notified the Issuing Agent that such approval will not be given; or (ii) the proposed resolution is not compatible with applicable law.
- (d) The notice given in accordance with paragraph (b) shall contain (i) the time of the meeting; (ii) the place of the meeting; (iii) an agenda (including each request by an ES Noteholder for a resolution); and (iv) a proxy form. A decision may not be made at the meeting in respect of any matter that is not listed in the notice. If ES Noteholders are required to announce their intention to participate in the meeting, the notice shall contain information regarding such requirement.
- (e) The meeting shall be held no earlier than fifteen Stockholm Business Days and no later than thirty Stockholm Business Days after the notice given in accordance with paragraph (b). Meetings in respect of more than one Series of ES Notes may be held on the same occasion.
- (f) Without deviating from these provisions relating to meetings of ES Noteholders, the Issuing Agent may stipulate further provisions, as it deems appropriate, regarding the convening and holding of the meeting. Such provisions may, among other things, include provisions enabling ES Noteholders to vote without attending the meeting in person or to allow the voting to take place electronically or through written voting procedures.
- (g) Any person other than an ES Noteholder wishing to exercise the rights of the ES Noteholder thereof or vote at a meeting of the ES Noteholders thereof must present a duly authorised power of attorney or other proof of authorisation from the relevant ES Noteholder. Any ES Noteholder may issue more than one power of attorney to such person or persons to represent it in relation to some, or all, of the ES Notes held by such ES Noteholder. Unless otherwise

specified as a term of the relevant authorisation, any such duly authorised representative or attorney may act independently from the ES Noteholder or any other duly authorised representative or attorney.

- (h) Only a person who has been issued a power of attorney in accordance with paragraph (g) by someone who is an ES Noteholder on the fifth Stockholm Business Day prior to the scheduled date of the meeting of ES Noteholders (or such other period of time prior to the relevant meeting as is customary market practice in the market for bonds or notes cleared through Euroclear Sweden) (the Meeting Record Date) for the meeting may exercise voting rights at such meeting. The Issuing Agent may attend the meeting and shall ensure that an extract from the Euroclear Sweden Register on the Meeting Record Date for the Meeting is available at the meeting.
- (i) The ES Noteholders, the Issuing Agent, the Issuer and their respective representatives or assistants, are entitled to attend a meeting. The meeting may resolve that other persons may attend. The meeting may resolve that the Issuer and its representatives or assistants may only participate in a part or parts of the meeting. Representatives shall submit a duly issued power of attorney to be approved by the chairperson of the meeting. The meeting shall commence with the appointment of a chairperson, a secretary to take the minutes, and persons to attest the minutes. The chairperson shall prepare a list of ES Noteholders that are present and entitled to vote at the meeting, with information on the proportion of the nominal amount outstanding of the relevant Series of ES Notes that is held by each respective ES Noteholder (the Voting Register). The Voting Register shall thereafter be approved by the meeting. When applying these provisions, ES Noteholders who have cast their vote via electronic voting, ballot paper or the equivalent shall be deemed to be present at the meeting. Only those who were ES Noteholders or representatives for such ES Noteholders on the Meeting Record Date are entitled to vote and shall be included in the Voting Register. The Issuer shall be granted access to the relevant voting calculations and the basis for these. The minutes shall be completed as soon as possible and made available to ES Noteholders, the Issuer and the Issuing Agent.
- (j) Decisions on the following matters require the approval of ES Noteholders representing at least 90 per cent of the nominal amount outstanding of the relevant Series of ES Notes for which ES Noteholders are voting under at the meeting:
  - (i) other than in accordance with the applicable Final Terms, any modification of the Maturity Date of the relevant Series of ES Notes reduction or cancellation of the nominal amount payable upon maturity, any change in the terms relating to interest, interest rate or the calculation thereof in respect of the relevant Series of ES Notes or any reduction or cancellation of the amount payable;
  - (ii) any modification of the currency in which payments under the relevant Series of ES Notes are to be made;
  - (iii) any modification of the provisions in respect of meetings of ES Noteholders set out in this Condition 11;
  - (iv) the substitution of the Issuer; or
  - (v) the sanctioning of any scheme or proposal for the exchange or sale of the ES Notes for, or the conversion of the ES Notes, or the cancellation of the ES Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as stated above and partly for or into or in consideration of cash.
- (k) Matters which are not covered by paragraph (j) require the approval of ES Noteholders representing more than 50 per cent of the nominal amount outstanding of the relevant Series of ES Notes for which ES Noteholders are voting under at the meeting. This includes, but is not limited to, amendments and waivers of rights in relation to these Terms and Conditions.

- (l) A quorum at a meeting of ES Noteholders requires the presence of ES Noteholders, in person or via telephone (or by a representative with a power of attorney), representing at least 50 per cent of the nominal amount outstanding of the relevant Series of ES Notes for matters listed in paragraph (j) and, for any other matter, 20 per cent of the nominal amount outstanding of the relevant Series of ES Notes.
- (m) If the meeting of ES Noteholders has not met the necessary quorum requirements, the Issuing Agent shall convene a new meeting (in accordance with paragraph (b)) provided that the relevant proposal has not been withdrawn by the person or entity requesting the meeting. The quorum requirement in paragraph (l) shall not apply to such new meeting. If the meeting has met the quorum requirement for some, but not all, matters which are to be resolved on in the meeting, decisions shall be made on those matters for which a quorum is present, and any other matter shall be referred to a new meeting.
- (n) A decision at a meeting of ES Noteholders which imposes new obligations on, or limits the rights of, the Issuer, the Issuing Agent or a Dealer under the Terms and Conditions of the ES Notes requires the written approval of the relevant party.
- (o) A resolution passed at a meeting of ES Noteholders to authorise any modification to any Series of ES Notes are subject to the prior permission of the Competent Authority (if such permission is required (in the case of Senior Preferred Notes or Senior Non-Preferred Notes) by the Applicable MREL Regulations or (in the case of Subordinated Notes) by the Capital Regulations (as the case may be)).
- (p) An ES Noteholder which holds more than one ES Note need not vote for all, or vote in the same way for all ES Notes held.
- (q) The Issuer may not, directly or indirectly, pay or contribute to the payment of any inducement, fee, compensation or other consideration to any ES Noteholder for its approval of any matter to be resolved on at a meeting of ES Noteholders unless such inducement, fee, compensation or other consideration is offered to all ES Noteholders who provide their consent at the relevant meeting.
- (r) A decision made at a meeting of ES Noteholders shall be binding on all ES Noteholders under the relevant Series of ES Notes, whether or not they were present at the meeting. ES Noteholders shall not be held liable for any damage that the decision may cause another ES Noteholder.
- (s) The Issuer shall reimburse the Issuing Agent for all costs, expenses and disbursements properly incurred by it in connection with any meeting of ES Notes, including reasonable compensation for the Issuing Agent.
- (t) At the request of the Issuing Agent, the Issuer shall provide the Issuing Agent with a certificate, without delay, stating the nominal amount outstanding of any Series of ES Notes or which, as at the Meeting Record Date, are being held by or for the benefit of the Issuer or any Subsidiary of the Issuer, which ES Notes shall, unless and until ceasing to be so held, be deemed not to be "outstanding" for the purposes of this Condition 11. The Issuing Agent shall not be held responsible for the content of such certificate or otherwise for determining whether an ES Note is so owned by the Issuer or a Subsidiary of the Issuer.
- (u) ES Noteholders of the relevant Series shall be notified, without delay, of any and all decisions made at a meeting in accordance with Condition 9 of the Terms and Conditions of the ES Notes. At the request of an ES Noteholder, the Issuing Agent shall provide the ES Noteholder with the minutes from the relevant meeting. Failure to notify the ES Noteholders as stated above in this paragraph does not affect the validity of any matter resolved on at the meeting.
- (v) The chairperson shall ensure that minutes of all resolutions and proceedings at every meeting are made and signed by the chairperson. Any minutes signed by the chairperson of the meeting at which any resolution was passed or proceedings had shall be conclusive evidence of the matters contained in the meeting and until the contrary is proven, every meeting in respect of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.

## 12. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the ES Noteholders to create and issue further notes having terms and conditions the same as the ES Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding ES Notes.

## 13. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 13.1 Governing law

The ES Notes and any non-contractual obligations arising out of or in connection with the ES Notes are governed by, and shall be construed in accordance with, Swedish law.

### 13.2 Submission to jurisdiction

The Courts of the Kingdom of Sweden are to have jurisdiction to settle any disputes that may arise out of or in connection with any ES Notes and accordingly any legal action or proceedings arising out of or in connection with any ES Notes may be brought in such courts. The District Court of Stockholm (*Stockholms tingsrätt*) shall be the court of first instance. Each of the Issuer and any ES Noteholders submits to the exclusive jurisdiction of the Swedish courts in relation to any proceedings.

## 14. SWEDISH STATUTORY BAIL-IN POWERS

Notwithstanding and to the exclusion of any other term of the ES Notes or any other agreements, arrangements or understanding between the Issuer and any ES Noteholder (which, for the purposes of this Condition, includes each holder of a beneficial interest in the ES Notes), by its acquisition of the ES Notes, each ES Noteholder acknowledges, accepts and agrees to be bound by the exercise of, any Bail-in Power by the Swedish National Debt Office (*Riksgäldskontoret*) or any successor or replacement thereto and/or such other authority which has the ability to exercise any Bail-in Power in relation to the Issuer (the **Relevant Resolution Authority**) that may result in the write-down or cancellation of all, or a portion, of the principal amount of, or payments of interest or other distributions on, the ES Notes and/or the conversion of all, or a portion, of the principal amount of, or payments of interest or other distributions on, the ES Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the ES Notes to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power. Each ES Noteholder further acknowledges and agrees that the rights of the ES Noteholders are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any Bail-in Power by the Relevant Resolution Authority.

For these purposes, a Bail-in Power means any statutory write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of the BRRD, the Resolution Act (*Lag (2015:1016) om resolution*) and/or the Precautionary Support Act (*Lag (2015:1017) om förebyggande statligt stöd till kreditinstitut*) as amended or replaced from time to time and any instruments, rules and standards created thereunder, pursuant to which liabilities of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified and/or converted into shares or other securities or obligations of the Issuer or any other person. BRRD means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014, as amended or replaced from time to time.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Bail-in Power or the date from which the Bail-in Power shall be effective with respect to the ES Notes, the Issuer shall notify the ES Noteholders in accordance with Condition 9 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the ES Notes described in this Condition.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the ES Notes shall not constitute an Event of Default and these Conditions shall continue to apply in relation to the

residual principal amount of, or outstanding amount payable with respect to, the ES Notes, subject to any modification of the amount of interest or other distributions payable to reflect the reduction of the principal amount, and any further modification of these Conditions that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden.

## TERMS AND CONDITIONS OF THE VPS NOTES

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*The following are the “Terms and Conditions of the VPS Notes”. VPS Notes will not be evidenced by any physical note or document of title other than a statement of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book-entry system and register maintained by the VPS.*

Each VPS Note will be one of a Series (as defined below) of Notes issued by the Issuer and each VPS Note will be issued in accordance with and subject to the trust agreement (such trust agreement as modified and/or supplemented and/or restated from time to time, the **VPS Trustee Agreement**) dated 4 May 2020 made between the Issuer and Nordic Trustee AS (the **VPS Trustee**, which expression shall include any successor as Trustee).

References herein to the **VPS Notes** shall be references to the VPS Notes of this Series and shall mean notes registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be Verdipapirsentralen ASA, trading as *Euronext Securities Oslo* (including any unpaid principal or other amount owed under such notes which has been allocated a separate ISIN by the relevant Securities Depository) (**VPS Notes** and the **VPS**, respectively).

The VPS Notes have the benefit of the VPS Agency Agreement dated 24 June 2008 as amended by the VPS Agency Amendment Agreements dated 17 June 2009, 25 May 2010, 31 May 2011 and 29 May 2013 (together, the **VPS Agency Agreement**) between the Issuer and DNB Bank ASA (the **VPS Agent**).

Each Tranche of VPS Notes will be created and held in registered, uncertificated and dematerialised book-entry form in accounts with the VPS. The VPS Agent will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes as detailed in the VPS Agency Agreement.

The final terms for each Tranche of VPS Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these Terms and Conditions of the VPS Notes (the **VPS Conditions**). References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) prepared by the Issuer in relation to the relevant VPS Notes. The expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended).

The VPS Trustee acts for the benefit of the holders for the time being of the VPS Notes (the **VPS Noteholders**), in accordance with the provisions of the VPS Trustee Agreement and these VPS Conditions.

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

Copies of the VPS Agency Agreement and the VPS Trustee Agreement are available for inspection during normal business hours at the specified office of the VPS Agent and at the registered office of the VPS Trustee at Kronprinsesse Märthas plass 1, N-0160, Oslo, Norway. If the VPS Notes are to be admitted to trading on the regulated market of the Oslo Stock Exchange the applicable Final Terms will be published on the website of Oslo Børs (Oslo Stock Exchange) (<https://www.euronext.com>). The VPS Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Agency Agreement, the VPS Trustee Agreement and the Final Terms which are applicable to them.

The statements in these VPS Conditions include summaries of, and are subject to, the detailed provisions of the VPS Agency Agreement and the VPS Trustee Agreement.

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

In these VPS Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## 1. FORM, DENOMINATION AND TITLE

The VPS Notes are in registered, uncertificated and dematerialised book-entry form in the denomination of NOK 500,000 and/or such other currency and Specified Denomination(s) as shown in Part A of the relevant Final Terms *provided that* in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Base Prospectus under the EU Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes) and will be registered with a separate securities identification code in the VPS.

VPS Notes of one Specified Denomination may not be exchanged for Notes, VPS or otherwise, of another Specified Denomination. VPS Notes will be registered with a separate securities identification code in the VPS.

VPS Notes may be Fixed Rate Notes, Fixed Reset Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

VPS Notes may be Senior Preferred VPS Notes, Senior Non-Preferred VPS Notes or Subordinated VPS Notes, as specified in the applicable Final Terms.

The VPS Noteholder will be the person evidenced as such by a book-entry in the records of the VPS. The Issuer and the VPS Trustee may rely on a certificate of the VPS or one issued on behalf of the VPS by an account-carrying institution as to a particular person being a VPS Noteholder.

Title to the VPS Notes will pass by registration in the VPS between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS that are in force from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the VPS Noteholder.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of the VPS as the VPS Noteholder of a particular nominal amount of such VPS Notes shall be treated by the Issuer, the VPS Trustee and the VPS Agent, as the VPS Noteholder of such nominal amount of such VPS Notes for all purposes. VPS Notes will be transferable only in accordance with the rules and procedures for the time being of the VPS.

## 2. STATUS OF THE VPS NOTES

### 2.1 Status – Senior Preferred VPS Notes

- (a) This Condition 2.1 is applicable in relation to VPS Notes specified in the applicable Final Terms as being Senior Preferred VPS Notes and references to **VPS Notes** in this Condition 2.1 shall be construed accordingly.
- (b) Each Tranche of Senior Preferred VPS Notes will constitute unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
- (c) No VPS Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be 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 the Senior Preferred VPS Notes held by such VPS Noteholder.

### 2.2 Status – Senior Non-Preferred VPS Notes

- (a) This Condition 2.2 is applicable in relation to VPS Notes specified in the applicable Final Terms as being Senior Non-Preferred VPS Notes and references to **VPS Notes** in this Condition 2.2 shall be construed accordingly.
- (b) Senior Non-Preferred VPS Notes constitute unsubordinated and unsecured obligations, with Senior Non-Preferred Ranking, of the Issuer. In the event of the voluntary or involuntary

liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the VPS Noteholders to payments on or in respect of such VPS Notes shall rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with the rights of holders of all other Senior Non-Preferred Liabilities of the Issuer;
- (iii) senior to the rights of holders of any subordinated obligation of the Issuer, including any subordinated obligation of the Issuer which constitutes, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital or any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument, which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities of the Issuer;
- (iv) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and
- (v) junior in right of payment to any present or future claims of (x) depositors of the Issuer, and (y) other unsubordinated creditors of the Issuer (including holders of Senior Preferred VPS Notes) that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer.

The Issuer reserves the right to issue further notes and other obligations in the future, which may rank senior to, or *pari passu* with, the Senior Non-Preferred VPS Notes.

- (c) No VPS Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be 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 the Senior Non-Preferred VPS Notes held by such VPS Noteholder.

### 2.3 Status – Subordinated VPS Notes

- (a) This Condition 2.3 is applicable in relation to VPS Notes specified in the applicable Final Terms as being Subordinated VPS Notes and references to **VPS Notes** in this Condition 2.3 shall be construed accordingly.
- (b) Subordinated VPS Notes constitute subordinated and unsecured obligations of the Issuer. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the VPS Noteholders to payments on or in respect of such Notes shall rank:
  - (i) *pari passu* without any preference among themselves;
  - (ii) at least *pari passu* with the rights of holders of all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital;
  - (iii) senior to the rights of holders of any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument;
  - (iv) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and
  - (v) junior in right of payment to any present or future claims of (x) depositors of the Issuer, (y) other unsubordinated creditors of the Issuer, and (z) subordinated creditors of the Issuer whose rights are expressed to rank in priority to the VPS Noteholders.

The Issuer reserves the right to issue further subordinated notes and other subordinated obligations in the future, which may rank senior to, or *pari passu* with, the Subordinated VPS Notes.

- (c) No VPS Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be 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 the Subordinated VPS Notes held by such VPS Noteholder.



As used herein:

**Additional Tier 1 Capital** means Additional Tier 1 capital (*Primärkapital*) as defined in Part 2 Chapter 3 of the CRR or in any other Capital Regulations, in each case as amended or replaced;

**Additional Tier 1 Instrument** means (i) any instruments of the Issuer that at the time of issuance comply with the then current requirements under Capital Regulations in relation to Additional Tier 1 Capital, and (ii) any instrument, security or other obligation of the Issuer which ranks, or is expressed to rank, on a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, *pari passu* with Additional Tier 1 Instruments;

**Applicable MREL Regulations** means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Sweden giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer or the Landshypotek Consolidated Situation, as the case may be, including, without limitation to the generality of the foregoing, CRD IV, the BRRD, the Swedish Resolution Act (*lag (2015:1016) om resolution*) and the Swedish National Debt Office Regulations RKGFS 2015:2 and 2016:1 (*Riksgäldskontorets föreskrifter RKGFS 2015:2 och 2016:1*) (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Landshypotek Consolidated Situation, as the case may be);

**BRRD** means the Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15th May, 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Swedish law transposing or implementing such Directive), as amended or replaced from time to time;

**Capital Regulations** means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Sweden including, without limitation to the generality of the foregoing, CRD IV, and those regulations, requirements, guidelines and policies relating to capital adequacy adopted by the Competent Authority from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or to the Landshypotek Consolidated Situation);

**Competent Authority** means, in relation to the Issuer or the Landshypotek Consolidated Situation, as the case may be (i) (in respect of the Senior Non-Preferred VPS Notes) the Swedish National Debt Office (*Riksgäldskontoret*) (in its capacity as resolution authority) or any successor or replacement thereto and/or such other authority which has the primary responsibility for the prudential oversight and supervision of the Issuer or the Landshypotek Consolidated Situation, as the case may be, under the Applicable MREL Regulations and (ii) (in respect of the Subordinated VPS Notes) the Swedish Financial Supervisory Authority (*Finansinspektionen*) and any successor or replacement thereto, and/or such other authority which has the primary responsibility for the prudential oversight and supervision of the Issuer or the Landshypotek Consolidated Situation, as applicable, under the Capital Regulations;

**CRD IV** means, as the context requires, any or any combination of the CRD IV Directive, the CRR and/or 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 dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

**CRD IV Implementing Measures** means any regulatory capital rules or regulations or other requirements, which are applicable to the Issuer and/or the Landshypotek Consolidated Situation and which prescribe (alone or in conjunction with any other rules or regulations or requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer and/or the Landshypotek Consolidated Situation to the extent required by the CRD IV Directive or the CRR, including, for the avoidance of doubt and without limitation, any regulatory technical standards, guidelines, recommendations and/or opinions released from time to time by the European Banking Authority (or any successor or replacement thereof) or the Competent Authority, as the case may be;

**CRR** means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

**Landshypotek Consolidated Situation** means the Parent, the Issuer, the Issuer's Subsidiaries and any other entities which are part of the Swedish prudential consolidated situation (as such term is used in the Capital Regulations) of which the Issuer is a part, from time to time;

**MREL Eligible Liabilities** means "eligible liabilities" (or any equivalent or successor term) which are available to meet any MREL Requirement (howsoever called or defined by the Applicable MREL Regulations) of the Issuer or the Landshypotek Consolidated Situation, as the case may be, under the Applicable MREL Regulations;

**MREL Requirement** means the minimum requirement for own funds and eligible liabilities which is applicable to the Issuer or the Landshypotek Consolidated Situation, as the case may be;

**Parent** means Landshypotek Ekonomisk Förening (Reg. No. 769600-5003);

**Senior Non-Preferred Liabilities** means liabilities and obligations having Senior Non-Preferred Ranking;

**Senior Non-Preferred Ranking** means the ranking set out in the second sentence of the first paragraph of Section 18 of the Swedish Rights of Priority Act (*18 § första stycket andra meningen förmånsrättslagen (1970:979)*) for claims attributable to such debt instruments as are referred to in Chapter 21, Section 15, paragraph 3 b of the Swedish Resolution Act (*21 kap. 15 § 3 b lagen (2015:1016) om resolution*), as such legislative references may be amended or replaced from time to time; and

a **Subsidiary** of a company or corporation shall be construed as a reference to any company or corporation:

- (a) which is controlled, directly or indirectly, by the first-mentioned company or corporation;
- (b) more than half the equity or issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first-mentioned company or corporation; and

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

For the purposes of this Condition 2.3, **Tier 2 Capital** means any instrument or security of the Issuer which is recognised as Tier 2 capital (*supplementärkapital*) (as defined in Part 2 Chapter 4 of the CRR or in any other Capital Regulations, in each case as amended or replaced) of the Issuer, at the time of its issue, by the Competent Authority.

### 3. INTEREST

#### 3.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date to (but excluding) the Maturity Date .

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount..

As used in these VPS Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub unit of

the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these VPS Conditions:

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.1:

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

**Determination Date** has the meaning specified in the applicable Final Terms;

**Determination Period** means the period from (and including) a Determination Date to but excluding the next Determination Date;

**Interest Commencement Date** has the meaning specified in the applicable Final Terms;

**Interest Payment Date** has the meaning specified in the applicable Final Terms; and

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

### 3.2 Interest on Fixed Reset Notes

Each Fixed Reset Note bears interest:

- (a) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Interest Rate;
- (b) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the Maturity Date (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and
- (c) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any)

(each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrears on the Interest Payment Date(s) in each year up to and including the Maturity Date.

The provisions of Condition 3.3(f) shall apply to the Fixed Reset Notes, as applicable, in respect of any determination by the Calculation Agent of the Rate of Interest for a Reset Period as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Calculation Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 3.2. Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 3.1 shall apply to the Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these VPS Conditions:

**Business Day** has the meaning specified in Condition 3.3(a);

**First Reset Date** has the meaning specified in the applicable Final Terms;

**First Reset Margin** has the meaning specified in the applicable Final Terms;

**First Reset Rate** means the sum of the First Reset Margin and the Mid-Swap Rate for the First Reset Period;

**Initial Interest Rate** has the meaning specified in the applicable Final Terms;

**Initial Mid-Swap Rate** has the meaning specified in the applicable Final Terms;

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

**Reference Banks** means five leading swap dealers in the inter-bank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Calculation Agent;

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

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

**Reset Date** means the First Reset Date, the Second Reset Date or any Subsequent Reset Date, as the case may be;

**Reset Determination Date** means the second Business Day immediately preceding the relevant Reset Date;

**Reset Margin** means the First Reset Margin or any Subsequent Reset Margin, as the case may be;

**Reset Period** means the First Reset Period or any Subsequent Reset Period, as the case may be;

**Reset Period Mid-Swap Rate Quotations** means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date and in a Representative Amount

with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Relevant Screen Page was the Floating Leg Screen Page;

**Reset Rate** means the First Reset Rate or any Subsequent Reset Rate, as the case may be;

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

**Second Reset Date** has the meaning specified in the applicable Final Terms;

**Subsequent Reset Date(s)** has the meaning specified in the applicable Final Terms;

**Subsequent Reset Margin(s)** has the meaning specified in the applicable Final Terms; and

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

### 3.3 Interest on Floating Rate Notes

#### (a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

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

Such interest will be payable in respect of each Interest Period (which expression shall, in these VPS Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 3.3(a)(ii), the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest

Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these VPS Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the real-time gross settlement system operated by the Eurosystem (the **T2 System**) is open.

(b) Rate of Interest

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

- (i) Screen Rate Determination for Floating Rate Notes (other than Floating Rate Notes which reference SONIA, SOFR or €STR)

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is not SONIA, SOFR or €STR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

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

If the Relevant Screen Page is not available or if, in the case of Condition 3.3(b)(i)(C), no offered quotation appears or, in the case of Condition 3.3(b)(i)(D), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is the Euro-zone inter-bank market (if the Reference Rate is the Euro-zone inter-bank offered rate (EURIBOR)) or the Stockholm inter-bank market (if the Reference Rate is the Stockholm inter-bank offered rate (STIBOR)) or the Norwegian inter-bank market (if the Reference Rate is the Norwegian inter-bank offered rate (NIBOR)) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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

In this Condition 3.3(b)(i)(B):

- (1). **Reference Banks** means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination

of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms; and

- (2). **Specified Time** means 11.00 a.m. (Brussels time, in the case of a determination of EURIBOR or Stockholm time, in the case of a determination of STIBOR) or 12.00 noon (Oslo time, in the case of a determination of NIBOR).

- (C) Screen Rate Determination for Floating Rate Notes which reference SONIA, SOFR or €STR

If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SONIA, SOFR or €STR:

- (1). where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being **Compounded Daily**, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 3.4 and Condition 3.3(c)) be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date.
- (2). where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being Weighted Average, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 3.4 and Condition 3.3(c)) be the **Weighted Average** Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date.

- (D) Where **SONIA** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 3.4, if, in respect of any Business Day, the Calculation Agent determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:

- (1). (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
- (2). if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraph above, and without prejudice to Condition 3.4, in the event of the Bank of England publishing guidance as



to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent reasonably practicable, follow such guidance in order to determine the SONIA rate, for purposes of the Notes, for so long as the SONIA rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Terms and Conditions of the VPS Notes or the VPS Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Rate of Interest, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Terms and Conditions of the VPS Notes and the VPS Agency Agreement. No consent of the VPS Noteholders shall be required in connection with effecting any amendment or modification in accordance with the foregoing, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the VPS Agency Agreement (if required).

- (E) Where **SOFR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 3.4, if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page.
- (F) Where **€STR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 3.4, if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published on the Relevant Screen Page.
- (G) For the purposes of this Condition 3.3(b)(i):

**Applicable Period** means:

- (1) where **Lag** or **Lock-out** is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; and
- (2) where **Observation Shift** is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

**Business Day** or **BD** means (i) where **SONIA** is specified as the Reference Rate in the applicable Final Terms, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London; (ii) where **SOFR** is specified as the Reference Rate in the applicable Final Terms, any day which is a U.S. Government Securities Business Day and is not a legal holiday in New York and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed other than any U.S. Government Securities Business Day falling in the period from (and including) the date falling  $z$  Euro Banking Days prior to (but excluding) the corresponding Interest Payment Date in relation to such Interest Period; and (iii) where **€STR** is specified as the Reference Rate in the applicable Final Terms, a T2 Settlement Day;

**Compounded Daily Reference Rate** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the

resulting percentage will be rounded, if necessary, to (i) (in the case of SOFR and €STR) the fifth decimal place, with 0.00005 being rounded upwards and (ii) (in the case of SONIA) the fourth decimal place, with 0.00005 being rounded upwards:

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

**D** is the number specified in the applicable Final Terms;

**d** means, for the relevant Applicable Period, the number of calendar days in such Applicable Period;

**d<sub>o</sub>** means, for the relevant Applicable Period, the number of Business Days in such Applicable Period;

**€STR** means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such euro Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank currently at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank (the **ECB's Website**) in each case, on or before 9:00 a.m., (Central European Time) on the euro Business Day immediately following such Business Day;

**i** means, for the relevant Applicable Period, a series of whole numbers from one to **d<sub>o</sub>**, each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period;

**Lock-out Period** means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date (such period not to be not less than five Business Days without the Calculation Agent's prior written agreement);

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

**n<sub>i</sub>**, for any Business Day *i* in the Applicable Period, means the number of calendar days from, and including, such Business Day *i* up to, but excluding, the following Business Day;

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

**Observation Period** means, in respect of the relevant Interest Period, the period from, and including, the date falling *p* Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is *p* Business Days prior to the Interest Payment Date for such Interest Period (or the date falling *p* Business Days prior to such earlier date, if any, on which the Notes become due and payable);

**p** means, for any Interest Period:

- (1). where **Lag** is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms provided that *p* shall not be less than three Business Days at any time and shall not be less than *z* Euro Banking Days without the prior written agreement of the Calculation Agent (or, if no such number is specified five Business Days);

- (2). where **Lock-out** is specified as the Observation Method in the applicable Final Terms, zero;
- (3). where **Observation Shift** is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms provided that  $p$  shall not be less than three Business Days at any time and shall not be less than  $z$  Euro Banking Days without the prior written agreement of the Calculation Agent (or if no such number is specified, five Business Days);

**Reference Day** means each Business Day in the relevant Interest Period, other than any Business Day in the Lock-out Period;

$r$  means:

- (1). where in the applicable Final Terms **Lag** or **Shift** is specified as the Observation Method, in respect of any Business Day, the Reference Rate in respect of such Business Day; or
- (2). where in the applicable Final Terms **Lock-out** is specified as the Observation Method, in respect of any Business Day  $i$  falling in the relevant Interest Period, the Reference Rate for the Business Day immediately preceding such day; and in respect of any Business Day  $i$  falling during the **Lock-out Period** specified in the applicable Final Terms (provided that the Lock-out Period shall not be less than three Business Days at any time and shall not be less than five Business Days without the prior agreement of the Calculation Agent or, where no **Lock-out Period** is specified, five Business Days prior to each Interest Payment Date), the Reference Rate in respect of the Business Day immediately preceding the last Business Day in the relevant Interest Period (such last Business Day coinciding with the relevant Interest Determination Date);

$r_i$  means, the applicable Reference Rate as set out in the definition of  $r$  above for:

- (1). where in the applicable Final Terms **Lag** is specified as the Observation Method, the Business Day (being a Business Day falling in the relevant Observation Period) falling  $p$  Business Days prior to the relevant Business Day  $i$ ; or
- (2). where in the applicable Final Terms **Lock-out** or **Shift** is specified as the Observation Method, the relevant Business Day  $i$ ;

**SOFR** means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Federal Reserve's Website, in each case on or about 5.00 p.m. (New York City Time) on the Business Day immediately following such Business Day;

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

**T2 Settlement Day** means any day on which the T2 System is open for the settlement of payments in euro;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

**Weighted Average Reference Rate** means, with respect to an Interest Period, the arithmetic mean of the Reference Rate in effect for each calendar day during such Interest Period (with the applicable Reference Rate (as indicated in the applicable Final Terms) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to (i) (in the case of SOFR and €STR) the fifth decimal place, with 0.000005 being rounded upwards and (ii) (in the case of SONIA) the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \sum_{i=1}^{d_0} \left( \frac{r_i \times n_i}{D} \right) \right] \times \frac{D}{d}$$

$z$  means, the number of Euro Banking Days specified as such in the relevant Final Terms, provided that  $z$  shall not be less than five Euro Banking Days without the prior written approval of the Calculation Agent, or if no such number is specified, five Euro Banking Days.

where:

**Business Day**, **BD**, **D**, **d**, **d<sub>0</sub>**, **i**, **n** and **p** have the meanings given to them in the provision relating to Compounded Daily Reference Rate specified above;

$r_i$  means (unless otherwise specified in the applicable Final Terms):

- (1). where in the applicable Final Terms **Lag** is specified as the Observation Method, in respect of any Business Day  $i$  falling in the relevant Interest Period, the Reference Rate for the Business Day falling  $p$  Business Days prior to such day  $i$ ;
- (2). where in the applicable Final Terms **Lock-out** is specified as the Observation Method, the Reference Rate determined in accordance with paragraph (1), except that in respect of each Business Day  $i$  falling during the **Lock-out Period** specified in the applicable Final Terms (provided that the Lock-out Period shall not be less than three Business Days at any time and shall not be less than five Business Days without the prior agreement of the Calculation Agent or, where no **Lock-out Period** is specified, five Business Days prior to each Interest Payment Date) until the end of each relevant Interest Period, the Reference Rate determined in accordance with paragraph (1) in respect of the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date); and
- (3). where in the applicable Final Terms **Shift** is specified as the Observation Method in respect of any Business Day  $i$  falling in the relevant Observation Period, the Reference Rate in respect of that day  $i$ ; and

$z$  means, the number of Euro Banking Days specified as such in the relevant Final Terms, provided that  $z$  shall not be less than five Euro Banking Days without the prior written approval of the Calculation Agent, or if no such number is specified, five Euro Banking Days.

## (c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

## (d) Determination of Rate of Interest and calculation of Interest Amounts

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

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on such Floating Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.3:

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

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

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M2** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D1** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

**D2** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

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

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M2** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D1** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

**D2** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the VPS Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer shall instruct the Principal Paying Agent to determine such rate at such time and by reference to such sources as the Issuer notifies to it.

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

- (f) Notification of Rate of Interest and Interest Amounts

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the VPS Agent, the VPS Trustee and the VPS and notice thereof to be published in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the VPS Noteholders in accordance with Condition 10. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the VPS rules and regulations for the time being in effect.

- (g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.3 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent, or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### 3.4 **Benchmark Replacement**

Notwithstanding the foregoing provisions of this Condition 3, if the Issuer (in consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Rate or Reference Rate (as applicable), the following provisions shall apply:

- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (in consultation with the Issuer) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) no later than five Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the VPS Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 3.4);
- (b) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Mid-Swap Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Mid-Swap Rate or Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (c) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (b), the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Mid-Swap Rate or Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Mid-Swap Rate or Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided, however, that* if this sub-paragraph (c) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the date falling not less than five Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this sub-paragraph (c), the Mid-Swap Rate or Reference Rate applicable to such Reset Period or Interest Period (as applicable) shall be equal to the Mid-Swap Rate or Reference Rate (as applicable) for a term equivalent to the relevant Interest Period or Reset Period published on the Relevant Screen Page as at the last preceding Reset Date or Interest Determination Date (as applicable) (though substituting, where a different First Reset Margin, Subsequent Reset Margin or Margin (as applicable) is to be applied to the relevant

- Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period, the First Margin, Subsequent Margin or Margin (as applicable) relating to the relevant Reset Period or Interest Period, in place of the margin relating to that last preceding Reset Period or Interest Period);
- (d) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the VPS Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 3.4);
  - (e) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
  - (f) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) may also specify changes to the definitions of Day Count Fraction, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Mid-Swap Rate or Reference Rate applicable to the VPS Notes, and the method for determining the fallback rate in relation to the VPS Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the VPS Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 3.4); and
  - (g) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (f) to the Agent and the VPS Noteholders.

Notwithstanding any other provision of this Condition 3.4, if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3.4, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

Such benchmark replacement shall not impose more onerous obligations on the party responsible for determining the Rate of Interest or expose it to any additional duties or liabilities unless such party consents.

Notwithstanding any other provision of this Condition 3.4, no Successor Rate or Alternative Benchmark Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the VPS Notes will be made pursuant to this Condition 3.4, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Senior Preferred VPS Notes or Senior Non-Preferred VPS Notes as MREL Eligible Liabilities or the relevant Series of Subordinated VPS Notes as Tier 2 Capital of the Issuer or the Landshypotek Consolidated Situation, as the case may be.

In the case of Senior Non-Preferred VPS Notes only, no Successor Rate or Alternative Benchmark Rate (as applicable) will be adopted, and no other amendments to the terms of such VPS Notes will be made to this Condition 3.4, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Competent Authority under the Applicable MREL Regulations treating a future Interest Payment Date as the effective maturity of the VPS Notes, rather than the relevant Maturity Date.



In these VPS Conditions:

**Adjustment Spread** means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Mid-Swap Rate or Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Mid-Swap Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or
- (b) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to VPS Noteholders as a result of the replacement of the Mid-Swap Rate or Reference Rate (as applicable) with the Successor Rate or Alternative Benchmark Rate (as applicable);

**Benchmark Event** means:

- (a) the relevant Mid-Swap Rate or Reference Rate (as applicable) has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered;
- (b) public statement by the administrator of the relevant Mid-Swap Rate or Reference Rate (as applicable) that it will cease publishing such Mid-Swap Rate or Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Mid-Swap Rate or Reference Rate);
- (c) public statement by the supervisor of the administrator of the relevant Mid-Swap Rate or Reference Rate (as applicable) that such Mid-Swap Rate or Reference Rate has been or will be permanently or indefinitely discontinued;
- (d) a public statement by the supervisor of the administrator of the relevant Mid-Swap Rate or Reference Rate (as applicable) that means that such Mid-Swap Rate or Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (e) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any VPS Noteholder using the relevant Mid-Swap Rate or Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable);

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

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

**Successor Rate** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (in consultation with the Issuer) determines is a successor to or

replacement of the relevant Mid-Swap Rate or Reference Rate (as applicable) which is formally recommended by any Relevant Nominating Body Independent Adviser.

### 3.5 Accrual of interest

Each VPS Note (or in the case of the redemption of part only of a VPS Note, that part only of such VPS Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused or, in the case of Senior Non-Preferred VPS Notes or Subordinated VPS Notes, the permission of the Competent Authority for payment of principal (if required) has not been given or, having been given, has been withdrawn and not replaced and such payment is not made. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such VPS Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such VPS Note has been received by the Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 10.
  - (i) The Issuer shall procure that there shall at all times be one or more Calculation Agent if provision is made for them in respect of the VPS Notes and for so long as any VPS Note is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the VPS Notes, references in these VPS Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these VPS Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or a Reset Period, as applicable, or to calculate any Interest Amount, Final Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

For the purpose hereof, **outstanding** means, in relation to the VPS Notes of any Series, all such VPS Notes issued other than:

- (ii) those VPS Notes which have been redeemed and cancelled pursuant to these VPS Conditions;
- (iii) those VPS Notes in respect of which the date for redemption in accordance with these VPS Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under these VPS Conditions after that date) have been duly paid to or to the order of the VPS Agent (and where appropriate notice to that effect has been given to the VPS Noteholders in accordance with these VPS Conditions) and remain available for payment against presentation of the relevant VPS Notes;
- (iv) those VPS Notes which have been purchased and cancelled in accordance with these VPS Conditions; and
- (v) those VPS Notes in respect of which claims have become prescribed under these VPS Conditions.

## 4. PAYMENTS

### 4.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of

the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and

- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 6, and (ii) 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, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

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

#### 4.2 **Payment of Principal and Interest**

Payments of principal and interest in respect of VPS Notes and notification thereof to VPS Noteholders will be made to the VPS Noteholders shown in the records of the VPS and will be effected through and in accordance with and subject to the VPS Agency Agreement and the rules and regulations from time to time governing the VPS. The VPS Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any VPS Noteholder. The Issuer reserves the right at any time with the approval of the VPS Trustee to vary or terminate the appointment of the VPS Agent or the Calculation Agent and to appoint additional or other agents, *provided that* the Issuer shall at all times maintain (a) a VPS Agent authorised to act as an account operating institution with the VPS, (b) one or more Calculation Agent(s) where these VPS Conditions so require, and (c) such other agents as may be required by any other stock exchange on which the VPS Notes may be listed in each case.

Notice of any such change or of any change of any specified office shall promptly be given to the VPS Noteholders in accordance with Condition 10.

#### 4.3 **Payment Day**

If the date for payment of any amount in respect of any VPS Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 7) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 System is open.

#### 4.4 **Interpretation of principal and interest**

Any reference in these VPS Conditions to principal in respect of the VPS Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 6;

- (b) the Final Redemption Amount of the VPS Notes;
- (c) the Early Redemption Amount of the VPS Notes;
- (d) the Tax Event Early Redemption Amount of the VPS Notes;
- (e) the Optional Redemption Amount(s) (if any) of the VPS Notes;
- (f) the MREL Disqualification Event Redemption Amount of the VPS Notes;
- (g) the Capital Event Redemption Amount of the VPS Notes;
- (h) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5.5); and
- (i) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS Notes.

Any reference in these VPS Conditions to interest in respect of the VPS Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

## **5. REDEMPTION AND PURCHASE**

### **5.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each VPS Note will be redeemed by the Issuer at (i) if the Notes are not Zero Coupon Notes, 100 per cent of its nominal amount, or (ii) if the Notes are Zero Coupon Notes, its Final Redemption Amount specified in the applicable Final Terms, in each case, in the relevant Specified Currency on the Maturity Date.

### **5.2 Redemption for tax reasons**

If Tax Event Redemption is specified as being applicable in the applicable Final Terms, the Notes may, subject as provided in Condition 5.11, be redeemed at the option of the Issuer in whole, but not in part, at any time (if such VPS Note is not a Floating Rate Note) or on any Interest Payment Date (if such VPS Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the VPS Agent and, in accordance with Condition 10, the VPS Noteholders (which notice shall be irrevocable), if a Tax Event occurs.

**Tax Event** means, as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the VPS Notes, on the occasion of the next payment due under the VPS Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6, *provided that* the Issuer satisfies the Competent Authority that such change in tax treatment of the VPS Notes is material and was not reasonably foreseeable as at the Issue Date of the first Tranche of the VPS Notes and *provided further that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the VPS Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5.2, the Issuer shall deliver to the VPS Trustee to make available at its specified office to the VPS Noteholders (i) a certificate signed by two duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

VPS Notes redeemed pursuant to this Condition 5.2 will be redeemed at their Tax Event Early Redemption Amount(s) specified in the applicable Final Terms, together with interest accrued to (but excluding) the date of redemption.

### 5.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject as provided in Condition 5.11, having given:

- (a) not less than 15 nor more than 30 days' notice to the VPS Noteholders in accordance with Condition 10; and
- (b) not less than 15 days before the giving of the notice referred to in (i), notice to the VPS Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the VPS Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of VPS Notes, the VPS Notes to be redeemed will be selected in accordance with the rules of the VPS not more than 30 days prior to the date fixed for redemption.

### 5.4 Redemption at the option of the VPS Noteholders (Investor Put)

This Condition 5.4 is applicable in relation to VPS Notes specified in the applicable Final Terms as Senior Preferred VPS Notes and references to **VPS Notes** in this Condition 5.4 shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the VPS Noteholder giving to the Issuer not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such VPS Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of the VPS Notes, the VPS Noteholders must, within the notice period, give notice (the **Put Notice**) to the VPS Agent of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Notice given by a VPS Noteholder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such VPS Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 8.

### 5.5 Early Redemption Amounts

For the purpose of Condition 5.2 and Condition 8:

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

Early Redemption Amount =  $RP \times (1 + AY)^x$  where:

**RP** means the Reference Price;

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

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

including) the Issue Date of the first Tranche of the VPS Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such VPS Note becomes due and repayable and the denominator will be 365).

#### 5.6 Purchases

The Issuer or any Subsidiary of the Issuer may, subject as provided in Condition 5.11, at any time purchase VPS Notes at any price in the open market or otherwise.

#### 5.7 Cancellation

All VPS Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be cancelled by causing such VPS Notes to be deleted from the records of the VPS.

All VPS Notes which are redeemed will forthwith be cancelled in the same manner. Any VPS Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such VPS Notes shall be discharged.

#### 5.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5.1, 5.2, 5.3 or 5.4 or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5.5(b) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the VPS Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 10.

#### 5.9 Redemption at the option of the Issuer in case of an MREL Disqualification Event

This Condition 5.9 applies only in the case of VPS Notes specified in the applicable Final Terms as being Senior Preferred VPS Notes or Senior Non-Preferred VPS Notes in respect of which MREL Disqualification Event Redemption applies.

If a MREL Disqualification Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant MREL Disqualification Event, at its option, but subject as provided in Condition 5.11, give notice to the VPS Noteholders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date fixed for redemption) that all (but not some only) of the outstanding VPS Notes comprising the relevant Series shall be redeemed:

- (a) in the case of all VPS Notes other than Floating Rate Notes, at any time within the period of not less than 30 nor more than 60 days from the date of such notice; or
- (b) in the case of Floating Rate Notes, (A) on any Interest Payment Date falling within the period of not less than 30 nor more than 60 days from the date of such notice or (B) if there is no Interest Payment Date falling within (A), on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at the MREL Disqualification Event Redemption Amount specified in the applicable Final Terms, together with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the VPS Notes.

In these VPS Conditions:

**MREL Disqualification Event** means, at any time, a change in the regulatory classification of the VPS Notes pursuant to the Applicable MREL Regulations that results, or would be likely to result, in their exclusion in whole or in part from the MREL Eligible Liabilities of the Issuer and/or the Landshypotek Consolidated Situation, *provided that* an MREL Disqualification Event shall not occur if such exclusion is or will be caused by (A) the remaining maturity of such VPS Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (B) any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded.

### 5.10 Redemption at the option of the Issuer in case of a Capital Event

This Condition 5.10 applies only in the case of VPS Notes specified in the applicable Final Terms as being Subordinated Notes in respect of which Capital Event Redemption applies.

If a Capital Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant Capital Event, at its option, but subject as provided in this Condition 5.10, give notice to the VPS Noteholders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date fixed for redemption) that all (but not some only) of the outstanding VPS Notes comprising the relevant Series shall be redeemed:

- (a) in the case of all VPS Notes other than Floating Rate Notes, at any time within the period of not less than 30 nor more than 60 days from the date of such notice; or
- (b) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 30 nor more than 60 days from the date of such notice or (2) if there is no Interest Payment Date falling within (1), on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at the Capital Event Redemption Amount specified in the applicable Final Terms, together with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the VPS Notes.

In these VPS Conditions:

**Capital Event** means, at any time, a change in the regulatory classification of the VPS Notes pursuant to the Capital Regulations that results, or would be likely to result, in:

- (a) their exclusion in whole or in part from the regulatory capital of the Issuer and/or the Landshypotek Consolidated Situation; or
- (b) reclassification in whole or in part as a lower quality form of regulatory capital of the Issuer and/or the Landshypotek Consolidated Situation,

in each case, *provided that* (A) the Competent Authority considers such change in the regulatory classification of the VPS Notes to be sufficiently certain, and (B) the Issuer satisfies the Competent Authority that such change in the regulatory classification of the VPS Notes was not reasonably foreseeable as at the Issue Date of the first Tranche of the VPS Notes.

### 5.11 Redemption and Purchase only with Prior Approval

No early redemption or purchase of VPS Notes as contemplated by this Condition 5 may be made without the prior consent of the Competent Authority (if such permission is then required (in the case of Senior Preferred VPS Notes or Senior Non-Preferred VPS Notes) by the Applicable MREL Regulations or (in the case of Subordinated VPS Notes) by the Capital Regulations).

### 5.12 Variation or Substitution instead of Redemption

This Condition 5.12 is applicable only where it is specified as being applicable in the applicable Final Terms.

If at any time a Capital Event occurs (if Capital Event Redemption is specified as being applicable in the applicable Final Terms in relation to the Subordinated VPS Notes) or an MREL Disqualification Event occurs (if MREL Disqualification Event Redemption is specified as being applicable in the applicable Final Terms in relation to the Senior Non-Preferred VPS Notes) or a Tax Event occurs (if Tax Event Redemption is specified as being applicable in the applicable Final Terms), then the Issuer may, subject to the approval of the Competent Authority, without any requirement for the consent or approval of the VPS Noteholders and having given not less than 30 nor more than 60 days' notice to the VPS Noteholders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date fixed for redemption), at any time either substitute all (but not some only) of the VPS Notes for, or vary the terms of the VPS Notes so that they remain or, as appropriate, become, Qualifying Securities (as defined below), *provided that* such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities that are inconsistent with the redemption provisions of the VPS Notes.

In these VPS Conditions:

**Qualifying Securities** means the Subordinated Qualifying Securities and/or the Senior Preferred Qualifying Securities and/or the Senior Non-Preferred Qualifying Securities (as applicable);

**Senior Non-Preferred Qualifying Securities** means, for the purpose of this Condition 5.12, securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favourable to a VPS Noteholder than the terms of the Senior Non-Preferred VPS Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (b) include a ranking at least equal to that of the Senior Non-Preferred VPS Notes;
- (c) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred VPS Notes;
- (d) have the same redemption rights as the Senior Non-Preferred VPS Notes (although they need not contain all of the rights of the Issuer under this Condition 5);
- (e) comply with the then current requirements of the Applicable MREL Regulations in relation to MREL Eligible Liabilities;
- (f) preserve any existing rights under the Senior Non-Preferred VPS Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date);
- (g) are assigned (or maintain) the same or higher credit ratings as were assigned to the Senior Non-Preferred VPS Notes immediately prior to such substitution or variation; and
- (h) are listed on a recognised stock exchange if the Senior Non-Preferred VPS Notes were listed immediately prior to such substitution or variation;

**Senior Preferred Qualifying Securities** means for the purpose of this Condition 5.12, securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favourable to a VPS Noteholder than the terms of the Senior Preferred VPS Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (b) include a ranking at least equal to that of the Senior Preferred VPS Notes;
- (c) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Preferred VPS Notes;
- (d) have the same redemption rights as the Senior Preferred VPS Notes (although they need not contain all of the rights of the Issuer under this Condition 5);
- (e) comply with the then current requirements of the Applicable MREL Regulations in relation to MREL Eligible Liabilities;
- (f) preserve any existing rights under the Senior Preferred VPS Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date);
- (g) are assigned (or maintain) the same or higher credit ratings as were assigned to the Senior Preferred VPS Notes immediately prior to such substitution or variation; and
- (h) are listed on a recognised stock exchange if the Senior Preferred VPS Notes were listed immediately prior to such substitution or variation;



**Subordinated Qualifying Securities** means, for the purpose of this Condition 5.12, securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favourable to a holder of the Subordinated VPS Notes than the terms of the VPS Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (b) include a ranking at least equal to that of the Subordinated VPS Notes;
- (c) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated VPS Notes;
- (d) have the same redemption rights as the VPS Notes (although they need not contain all of the rights of the Issuer under this Condition 5);
- (e) comply with the then current requirements of the Capital Regulations in relation to Tier 2 capital;
- (f) preserve any existing rights under the Subordinated VPS Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date);
- (g) are assigned (or maintain) the same or higher credit ratings as were assigned to the Subordinated VPS Notes immediately prior to such substitution or variation; and
- (h) are listed on a recognised stock exchange if the Subordinated VPS Notes were listed immediately prior to such substitution or variation; and

**Tier 2 capital** means Tier 2 capital (*supplementärkapital*) as defined in Part 2 Chapter 4 of the CRR or in any other Capital Regulations, in each case as amended or replaced.

For the avoidance of doubt, any terms of Qualifying Securities which are required by rules implementing The Basel Committee on Banking Supervision's press release of 13 January 2011 in relation to loss-absorption at the point of non-viability shall never be deemed materially less favourable to a VPS Noteholder.

## 6. TAXATION

All payments of principal and interest in respect of the VPS Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the VPS Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the VPS Notes as the case may be, in the absence of such withholding or deduction; except that: (i) no such additional amounts shall be payable with respect to any VPS Note the holder of which is liable for such taxes or duties in respect of such VPS Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such VPS Note and (ii) if "Additional Amounts - Interest Only" is specified to be applicable in the Final Terms, no such additional amounts shall be payable with respect to any such withholding or deduction imposed or levied on payments of principal in respect of such VPS Note.

As used herein:

**Tax Jurisdiction** means the Kingdom of Sweden (**Sweden**) or any political subdivision or any authority thereof or therein having power to tax.

## 7. PRESCRIPTION

The VPS Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

As used herein, **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the VPS Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the VPS Noteholders in accordance with Condition 10.

## 8. EVENTS OF DEFAULT

- (a) If any one or more of the following events (each an Event of Default) shall occur and be continuing:
- (i) the Issuer shall default in the payment of principal in respect of any VPS Note due and payable in accordance with these VPS Conditions or the Issuer shall default in the payment of interest due on any VPS Notes on an Interest Payment Date or any other date on which the payment of interest is compulsory and any such default continues for five Stockholm Business Days;
  - (ii) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Issuer under the Notes) or the Issuer is otherwise declared bankrupt (*konkurs*) or put into liquidation (*likvidation*), in each case by a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same,
- the VPS Noteholder may:
- (iii) (in the case of (i)) institute proceedings for the Issuer to be declared bankrupt or its winding-up or liquidation, in each case in the Kingdom of Sweden and not elsewhere, and prove or claim in the bankruptcy or liquidation of the Issuer; and/or
  - (iv) (in the case of (ii)), prove or claim in the bankruptcy or liquidation of the Issuer, whether in the Kingdom of Sweden or elsewhere and instituted by the Issuer itself or by a third party,
- but (in either case) the VPS Noteholder may claim payment in respect of the VPS Note only in the bankruptcy or liquidation the Issuer.
- (b) In any of the events or circumstances described in (a)(ii), the VPS Noteholder may, by written notice addressed by the holder thereof to the Issuer, and delivered to the Issuer or the VPS Agent, effective upon the date of receipt thereof by the Issuer or the VPS Agent, declare such VPS Note to be due and payable, whereupon it shall become due and payable at the Early Redemption Amount (as described in Condition 5.5), together with accrued interest (if any), but subject to such holder only being able to claim payment in respect of the Notes in the bankruptcy or liquidation of the Issuer.
- (c) The VPS Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the VPS Notes (other than, without prejudice to Condition (a) or (b), any obligation for the payment of any principal or interest in respect of the VPS Notes) *provided that* the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (d) No remedy against the Issuer, other than as provided in Condition (a), (b) and (c), shall be available to the VPS Noteholders, whether for the recovery of amounts owing in respect of the VPS Notes or in respect of any breach by the Issuer of any of its obligations or undertakings under the VPS Notes.

## 9. TRANSFER AND EXCHANGE OF VPS NOTES

### 9.1 Transfers of Interests in VPS Notes

Settlement of sale and purchase transactions in respect of VPS Notes will take place two Oslo Business Days after the date of the relevant transaction. VPS Notes may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of VPS Notes which is held in the VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS. For the purpose of this

Condition, **Oslo Business Day** means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in Oslo.

## 9.2 Registration of transfer upon partial redemption

In the event of a partial redemption of VPS Notes under Condition 5, the Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

## 9.3 Costs of registration and administration of the VPS Register

VPS Noteholders will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to the VPS Register, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## 10. NOTICES

Notices to the VPS Noteholders shall be valid if the relevant notice is given to the VPS for communication by it to the VPS Noteholders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the date of delivery by the VPS.

## 11. MEETINGS OF VPS NOTEHOLDERS, MODIFICATION AND WAIVER

The VPS Trustee Agreement contains provisions for convening meetings of the VPS Noteholders to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, Oslo Børs (Oslo Stock Exchange) or by VPS Noteholders holding not less than 10 per cent of the Voting VPS Notes. (For the purpose of this Condition, **Voting VPS Notes** means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise deregistered in the VPS, less the VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.)

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing holders of Voting VPS Notes whatever the nominal amount of the VPS Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Notes, the VPS Trustee Agreement (including modifying the date of maturity of the VPS Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than two thirds in aggregate nominal amount of the Voting VPS Notes, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Voting VPS Notes. A resolution passed at any meeting of the VPS Noteholders shall be binding on all the VPS Noteholders, whether or not they are present at such meeting.

The VPS Trustee Agreement provides that:

- (a) the VPS Trustee may in certain circumstances, without the consent of the VPS Noteholders, make decisions binding on all VPS Noteholders relating to these VPS Conditions, the VPS Trustee Agreement or the VPS Agency Agreement or that is not, in the VPS Trustee's opinion, materially prejudicial to the interests of the VPS Noteholders; and
- (b) the VPS Trustee may reach decisions binding for all VPS Noteholders.

Any modification to these Conditions in relation to any Series of VPS Notes are subject to the prior permission of the Competent Authority (if such permission is required (in the case of Senior Preferred Noted or Senior Non-Preferred VPS Notes) by the Applicable MREL Regulations or (in the case of Subordinated VPS Notes) the Capital Regulations, as the case may be).

## 12. VPS TRUSTEE

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility. VPS Noteholders are deemed to have accepted and will be bound by these VPS Conditions and the terms of the VPS Trustee Agreement.

## 13. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the VPS Noteholders to create and issue further notes having terms and conditions the same as the VPS Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding VPS Notes.

## 14. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 14.1 Governing law

The VPS Notes and any non-contractual obligations arising out of or in connection with the VPS Notes are governed by, and shall be construed in accordance with, Swedish law, save as to Conditions 11, 12 and 13 which are governed by, and shall be construed in accordance with, Norwegian law. The VPS Trustee Agreement and VPS Agency Agreement are governed by, and shall be construed in accordance with, Norwegian law

VPS Notes must comply with the Norwegian Securities Depository Act of 15 March 2019 no. 6, as amended from time to time, and the VPS Noteholders will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

### 14.2 Submission to jurisdiction

The Courts of the Kingdom of Sweden are to have jurisdiction to settle any disputes that may arise out of or in connection with any VPS Notes (a **Dispute**) and accordingly any legal action or proceedings arising out of or in connection with any Notes may be brought in such courts. The District Court of Stockholm (*Stockholms tingsrätt*) shall be the court of first instance. Each of the Issuer and any VPS Noteholders submits to the exclusive jurisdiction of the Swedish courts in relation to any proceedings.

The Issuer agrees, for the exclusive benefit of the VPS Trustee and the VPS Noteholders that the courts of Norway are to have jurisdiction to settle any Disputes which may arise out of, or in connection with, the VPS Trustee Agreement and the VPS Agency Agreement.

## 15. SWEDISH STATUTORY BAIL-IN POWERS

Notwithstanding and to the exclusion of any other term of the VPS Notes or any other agreements, arrangements or understanding between the Issuer and any VPS Noteholder (which, for the purposes of this Condition, includes each holder of a beneficial interest in the VPS Notes), by its acquisition of the VPS Notes, each VPS Noteholder acknowledges, accepts and agrees to be bound by the exercise of, any Bail-in Power by the Swedish National Debt Office (*Riksgäldskontoret*) or any successor or replacement thereto and/or such other authority which has the ability to exercise any Bail-in Power in relation to the Issuer (the **Relevant Resolution Authority**) that may result in the write-down or cancellation of all, or a portion, of the principal amount of, or payments of interest or other distributions on, the VPS Notes and/or the conversion of all, or a portion, of the principal amount of, or payments of interest or other distributions on, the VPS Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the VPS Notes to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power. Each VPS Noteholder further acknowledges and agrees that the rights of the VPS Noteholders are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any Bail-in Power by the Relevant Resolution Authority.

For these purposes, a Bail-in Power means any statutory write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or

enacted within the context of the BRRD, the Resolution Act (*Lag (2015:1016) om resolution*) and/or the Precautionary Support Act (*Lag (2015:1017) om förebyggande statligt stöd till kreditinstitut*) as amended or replaced from time to time and any instruments, rules and standards created thereunder, pursuant to which liabilities of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified and/or converted into shares or other securities or obligations of the Issuer or any other person. BRRD means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014, as amended or replaced from time to time.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Bail-in Power or the date from which the Bail-in Power shall be effective with respect to the VPS Notes, the Issuer shall notify the VPS Noteholders in accordance with Condition 10 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the VPS Notes described in this Condition.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the VPS Notes shall not constitute an Event of Default and these VPS Conditions shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the VPS Notes, subject to any modification of the amount of interest or other distributions payable to reflect the reduction of the principal amount, and any further modification of these VPS Conditions that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden.

Each VPS Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the VPS Notes.

## TERMS AND CONDITIONS OF THE ES COVERED BONDS

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*The following are the “Terms and Conditions of the ES Covered Bonds” (and for the purposes of this section, the “Terms and Conditions”).*

The ES Covered Bonds are issued in accordance with the Swedish Act (2003:1223) on issuance of Covered Bonds (*Lag (2003:1223) om utgivning av säkerställda obligationer*) (the **Swedish Act on Issuance of Covered Bonds**) as amended from time to time.

References herein to the **ES Covered Bonds** shall be references to the ES Covered Bonds of this Series and shall mean any registered, uncertificated and dematerialised ES Covered Bonds in book-entry form registered in the Swedish Central Securities Depository and Clearing Organisation Euroclear Sweden AB, incorporated in Sweden with registered number 556112-8074 (**Euroclear Sweden**).

Each ES Covered Bond will be one of a Series (as defined below) of ES Covered Bonds issued by Landshypotek Bank AB (publ) (the Issuer).

For any Series of ES Covered Bonds, the Issuer will, prior to the Issue Date of such Series, appoint an issuing agent (administrerande institut), specifically authorised by Euroclear Sweden to process and register issues in Euroclear Sweden, in connection with such Series of ES Covered Bonds, as specified in the applicable Final Terms (the Issuing Agent, which expression shall include any additional or successor issuing agent). The Issuer has entered into documentation with the Euroclear Sweden applicable to the issuing of ES Covered Bonds, which will set out the terms and conditions for admitting such ES Covered Bonds to the Swedish clearing and settlement system maintained by Euroclear Sweden (such agreement as amended and/or supplemented and/or restated from time to time, the Euroclear Sweden Agreement). Upon each issue of ES Covered Bonds, the Issuer will prepare a separate application form applicable to such issue.

The final terms for an ES Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these Terms and Conditions. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) prepared by the Issuer in relation to the ES Covered Bonds. The expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended).

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

The Issuer may from time to time be required to appoint an independent calculation agent that when necessary shall carry out certain determination and calculation tasks related as set out in these Terms and Conditions (a Calculation Agent). The Issuer undertakes to appoint a Calculation Agent if and when required.

ES Covered Bondholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the applicable Final Terms which are applicable to them.

Words and expressions defined or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

In these Terms and Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

### 1. FORM, DENOMINATION AND TITLE

The ES Covered Bonds are in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) as amended (the **SFIA Act**), in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. ES Covered Bonds of one Specified Denomination may not be exchanged for ES Covered Bonds of another Specified Denomination.

An ES Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Title to the ES Covered Bonds shall pass by registration in the book-entry system and register maintained by Euroclear Sweden (the Euroclear Sweden Register). Except as ordered by a court of competent jurisdiction or as required by law, any ES Covered Bondholder shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the ES Covered Bondholder. In these Conditions in relation to ES Covered Bonds only, ES Covered Bondholder means, as the context requires, the person in whose name an ES Covered Bond is registered in the Euroclear Sweden Register and shall also include any person duly authorised to act as a nominee (*förvaltare*) and registered as an ES Covered Bondholder. Where a nominee (*förvaltare*) in accordance with the SFIA Act is so evidenced, it shall be treated by the Issuer and the Issuing Agent as the ES Covered Bondholder.

One or more ES Covered Bonds may be transferred in accordance with the regulations and operating procedures applicable to and/or issued by Euroclear Sweden from time to time (the **Euroclear Sweden Rules**). No ES Covered Bondholder may require the transfer of an ES Covered Bond to be registered during a period which is the equivalent of any such closed period (if any) pursuant to the then applicable rules and procedures of Euroclear Sweden.

Exchange and transfer of ES Covered Bonds on registration, transfer, partial redemption or exercise of a call or a put option shall be effected without charge by or on behalf of the Issuer or the Issuing Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuing Agent may require).

ES Covered Bonds registered in Euroclear Sweden are negotiable instruments and not subject to any restrictions on free negotiability under Swedish law.

## 2. STATUS OF THE ES COVERED BONDS

The ES Covered Bonds constitute unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The ES Covered Bonds are obligations issued in accordance with the Swedish Act on Issuance of Covered Bonds and rank *pari passu* with all other outstanding ES Covered Bonds and all other obligations of the Issuer which benefit from the same priority rights in the Cover Pool as ES Covered Bonds under the Swedish Rights of Priority Act (*Förmånsrättslagen (1970:979)*) and the Swedish Act on Issuance of Covered Bonds.

## 3. INTEREST

### 3.1 Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest from (but excluding) the Interest Commencement Date to (and including) the Maturity Date or, if the applicable Final Terms specifies that an Extended Final Maturity Date applies, the Extended Final Maturity Date or any earlier Interest Payment Date on which the ES Covered Bonds are redeemed in full, or, if the applicable Final Terms specifies that an Extended Final Maturity Date applies, the Extended Final Maturity Date or any earlier Interest Payment Date on which the ES Covered Bonds are redeemed in full), provided that any amounts representing interest payable after the Maturity Date shall be paid at such rate and on such dates as specified in the Final Terms.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Fixed Rate Covered Bond and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.1: **30/360**, the number of days in the period from (but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (and including) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

In these Terms and Conditions:

**Determination Date** has the meaning specified in the applicable Final Terms;

**Determination Period** means the period from (but excluding) a Determination Date to (and including) the next Determination Date);

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

**Interest Commencement Date** has the meaning specified in the applicable Final Terms;

**Interest Payment Date** has the meaning specified in the applicable Final Terms; and

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

### 3.2 Interest on Floating Rate Covered Bonds

- (a) Interest Payment Dates Each Floating Rate Covered Bond bears interest from (but excluding) the Interest Commencement Date) and such interest will be payable in arrears on either:
- (i) the Specified Interest Payment Date(s) (each an **Interest Payment Date**) in each year specified in the applicable Final Terms; or
  - (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (but excluding) an Interest Payment Date (or, as the case may be, the Interest Commencement Date) to (and including) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 3.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.



In these Terms and Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the real-time gross settlement system operated by the Eurosystem (the **T2 System**) is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the applicable Final Terms.

(i) Screen Rate Determination for Floating Rate Covered Bonds

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

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

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

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

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Issuing Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Issuer will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Covered Bonds for the relevant Interest Period by applying the Rate of Interest

to the aggregate outstanding nominal amount of the ES Covered Bonds and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.2:

- (i) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360; or
- (ii) if **30/360** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M2** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D1** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case **D1** will be 30; and

**D2** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and **D1** is greater than 29, in which case **D2** will be 30;

- (e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Issuing Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer shall instruct the Issuing Agent to determine such rate at such time and by reference to such sources as the Issuer notifies to it.

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

- (f) **Notification of Rate of Interest and Interest Amounts**

The Issuing Agent will cause the Rate of Interest for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the Floating Rate Covered Bonds are for the time being listed. For the purposes of this paragraph, the expression Stockholm Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Stockholm.

### 3.3 **Interest Rate and Payments from the Maturity Date if Statutory Extended Final Maturity applies**

- (a) If Statutory Extended Final Maturity is specified as being applicable in the applicable Final Terms and the Issuer has received approval from the SFSA to extend the maturity as a result

of it being deemed likely that the extension will prevent the Issuer's insolvency, each ES Covered Bond shall bear interest in accordance with this Condition 3.3 on its outstanding nominal amount from (but excluding) the Maturity Date to (and including) the Statutory Extended Final Maturity Date, subject to Condition 3.5. In such circumstances, the Rate of Interest for each Interest Period falling after the Maturity Date, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Issuing Agent, in accordance with Condition 3.2, mutatis mutandis, and the applicable Final Terms. If the SFSA has approved to extend the Maturity Date to a Statutory Extended Final Maturity Date, the Issuer shall notify the Issuing Agent (and instruct the Issuing Agent to notify Euroclear Sweden and the ES Covered Bondholders) of such extension as soon as possible thereafter.

- (b) This Condition 3.3 shall only apply if the Issuer has received approval from the SFSA to extend the maturity as a result of it being deemed likely that the extension will prevent the Issuer's insolvency and the maturity of such ES Covered Bonds will in such case be automatically extended to the Statutory Extended Final Maturity Date in accordance with Condition 5.1.

### 3.4 **Benchmark Replacement**

Notwithstanding the foregoing provisions of this Condition 3, if the Issuer (in consultation with the Issuing Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, the following provisions shall apply:

- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (in consultation with the Issuing Agent) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the Alternative Benchmark Rate) and, in either case, an alternative screen page or source (the Alternative Relevant Screen Page) and an Adjustment Spread (if applicable) no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the IA Determination Cut-off Date) for purposes of determining the Rate of Interest applicable to the ES Covered Bonds for all future Interest Periods (subject to the subsequent provisions of this Condition 3.4);
- (b) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (c) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (b), the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided, however, that* if this sub-paragraph (c) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the date falling not less than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (c), the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent

to the relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the margin relating to that last preceding Interest Period);

- (d) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the ES Covered Bonds for all future Interest Periods (subject to the subsequent provisions of this Condition 3.4);
- (e) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (f) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) may also specify changes to the definitions of Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the ES Covered Bonds, and the method for determining the fallback rate in relation to the ES Covered Bonds, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the ES Covered Bonds for all future Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 3.4);
- (g) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (f) to the Issuing Agent and the ES Covered Bondholders;

Notwithstanding any other provision of this Condition 3.4, if in the relevant Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3.4, the relevant Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

Such benchmark replacement shall not impose more onerous obligations on the party responsible for determining the Rate of Interest or expose it to any additional duties or liabilities unless such party consents.

In these Terms and Conditions:

**Adjustment Spread** means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

- (b) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to ES Covered Bondholders as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Benchmark Rate (as applicable);

**Benchmark Event** means:

- (a) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered;
- (b) public statement by the administrator of the relevant Reference Rate (as applicable) that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);
- (c) public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued;
- (d) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that means that such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (e) it has or will become unlawful for a Calculation Agent, the Issuing Agent or the Issuer to calculate any payments due to be made to any ES Covered Bondholder using the relevant Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable);

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

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

**Successor Rate** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (in consultation with the Issuer) determines is a successor to or replacement of the relevant Reference Rate which is formally recommended by any Relevant Nominating Body Independent Adviser.

### 3.5 **Accrual of interest**

Each ES Covered Bond (or in the case of the redemption of part only of an ES Covered Bond, that part only of such ES Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the date on which all amounts due in respect of such ES Covered Bond have been paid.

## 4. **PAYMENTS**

### 4.1 **Method of payment**

Payments of principal and/or interest in respect of the ES Covered Bonds shall be made to the ES Covered Bondholders which are registered in the Euroclear Sweden Register as such on the fifth business day (as defined by the then applicable Euroclear Sweden Rules) before the due date for such payment, such day being a Stockholm Business Day, or such other business day falling closer to the

due date as then may be stipulated in Euroclear Sweden Rules. Such day shall be the Record Date in respect of the ES Covered Bonds in accordance with the Euroclear Sweden Rules.

In these Terms and Conditions, **Stockholm Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Stockholm.

#### **4.2 Payment Day**

If the date for payment of any amount in respect of any ES Covered Bond is not a Payment Day, the ES Covered Bondholder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, Payment Day means any day which (subject to Condition 7) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than SEK, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the T2 System is open.

#### **4.3 Interpretation of principal and interest**

Any reference in these Terms and Conditions to principal in respect of the ES Covered Bonds shall be deemed to include, as applicable:

- (a) the Final Redemption Amount of the ES Covered Bonds;
- (b) the Optional Redemption Amount(s) (if any) of the ES Covered Bonds;
- (c) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 5.3); and
- (d) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the ES Covered Bonds.

### **5. REDEMPTION AND PURCHASE**

#### **5.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each ES Covered Bond will be redeemed by the Issuer at (i) if the ES Covered Bonds are not Zero Coupon Covered Bonds, 100 per cent of its nominal amount, or (ii) if the ES Covered Bonds are Zero Coupon Covered Bonds, its Final Redemption Amount specified in the applicable Final Terms, in each case, in the relevant Specified Currency on the Maturity Date, subject as provided below if Statutory Extended Final Maturity is specified as being applicable in the applicable Final Terms.

If Statutory Extended Final Maturity is specified as being applicable in the applicable Final Terms, then (subject as provided below) payment of the Final Redemption Amount by the Issuer shall be automatically deferred until the Statutory Extended Final Maturity Date specified in the applicable Final Terms.

The Issuer shall confirm to the Issuing Agent as soon as reasonably practicable and in any event at least four business days in Stockholm prior to the Maturity Date of any inability of the Issuer to pay in full the Final Redemption Amount in respect of a Series of ES Covered Bonds on that Maturity Date. Any failure by the Issuer to notify the Issuing Agent shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party and shall not constitute a default.

Where the applicable Final Terms for a relevant Series of ES Covered Bonds provides that such ES Covered Bonds are subject to a Statutory Extended Final Maturity Date, such failure to pay by the Issuer on the Maturity Date, shall not constitute a default in payment.

For the purposes of these Terms and Conditions:

**Statutory Extended Final Maturity Date** means, in relation to any Series of ES Covered Bonds, the date (if any) specified as such in the applicable Final Terms to which the payment of all of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Issuer has received approval from the SFSA to extend the maturity of such ES Covered Bonds as a result of it being deemed likely that the extension will prevent the Issuer's insolvency (a **Statutory Maturity Extension Approval**).

If the Maturity Date is extended to the Statutory Extended Final Maturity Date in accordance with this Condition 5.1, the Issuer shall give not less than 30 days' notice of such extension to the ES Covered Bondholders (or, if the Statutory Maturity Extension Approval is received 30 days or fewer prior to the Final Maturity Date, the Issuer shall give notice of such extension to the ES Covered Bondholders as soon as reasonably practicable) in accordance with Condition 8 (however, any failure by the Issuer to give such notice shall not in any event affect the validity or effectiveness of the extension nor give any ES Covered Bondholders any right to receive any payment of interest, principal or otherwise with respect to the relevant ES Covered Bonds other than as expressly set out in these Conditions).

## 5.2 **Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the ES Covered Bondholders in accordance with Condition 8; and
- (b) not less than 15 days before the giving of the notice referred to in (i), notice to the Issuing Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption and shall further specify the applicable closed period), redeem all or some only of the ES Covered Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (and including) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of ES Covered Bonds, the ES Covered Bonds to be redeemed (Redeemed Covered Bonds) will in accordance with the Euroclear Sweden Rules (to be reflected in the records of Euroclear Sweden as a reduction in nominal amount), in each case not more than 30 days prior to the date fixed for redemption.

## 5.3 **Early Redemption Amounts**

For the purpose of Condition 5.1 and 5.2 and Condition 6:

- (a) each ES Covered Bond (other than a Zero Coupon Covered Bond) will be redeemed at its Early Redemption Amount specified in the applicable Final Terms; and
- (b) each Zero Coupon Covered Bond will be redeemed at an Early Redemption Amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount =  $RP \times (1 + AY)^x$  where:

**RP** means the Reference Price;

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

**x** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (but excluding) the Issue Date) of the first Tranche of the ES Covered Bonds to (and including) the date fixed for redemption or (as the case may be) the date upon which such ES Covered Bond becomes due and repayable) and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (but excluding) the Issue Date) of the first Tranche of the ES Covered Bond to (and including) the date fixed for redemption or (as the case may be) the date upon which such ES Note becomes due and repayable) and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be

equal to the actual number of days from (but excluding) the Issue Date) of the first Tranche of the ES Covered Bond to (and including) the date fixed for redemption or (as the case may be) the date upon which such ES Covered Bond becomes due and repayable) and the denominator will be 365).

#### **5.4 Purchases**

The Issuer or any Subsidiary of the Issuer may at any time purchase ES Covered Bonds at any price in the open market or otherwise. All ES Covered Bonds so purchased will be cancelled by the Issuer.

#### **5.5 Cancellation**

All ES Covered Bonds which are redeemed will forthwith be cancelled. All ES Covered Bonds so cancelled and the ES Covered Bonds purchased and cancelled pursuant to Condition 5.4 cannot be reissued or resold.

#### **5.6 Late payment on Zero Coupon Covered Bonds**

If the amount payable in respect of any Zero Coupon Covered Bonds upon redemption of such Zero Coupon Covered Bond pursuant to Condition 5.1 or 5.2 or upon its becoming due and repayable as provided in Condition 6 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5.3(b) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date on which all amounts due in respect of such Zero Coupon Note have been paid.

### **6. TAXATION**

All payments of principal and interest in respect of the ES Covered Bonds by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law, in which case such deduction will be made by the Issuer.

**Tax Jurisdiction** means the Kingdom of Sweden (**Sweden**) or any political subdivision or any authority thereof or therein having power to tax.

### **7. PRESCRIPTION**

The ES Covered Bonds will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and three years (in the case of interest) after the Relevant Date therefor.

### **8. NOTICES**

Notices will be in writing, addressed to ES Covered Bondholders at the address appearing in the Euroclear Sweden Register maintained by Euroclear Sweden in accordance with Euroclear Sweden Rules, and will be deemed to have been validly given on the fourth Stockholm Business Day after the date of such mailing.

### **9. PROVISION OF INFORMATION**

Each ES Covered Bondholder agrees and gives consent to Euroclear Sweden to provide to the Issuing Agent, upon request, information registered with Euroclear Sweden relating to the ES Covered Bonds and the ES Covered Bondholders in order that the Issuing Agent may provide any relevant Swedish authorities, including the Financial Supervisory Authority of Sweden (Finansinspektionen) and the Swedish tax authorities, with any information required under applicable Swedish laws. Such information shall include, but not be limited to, the identity of the registered ES Covered Bondholder, the residency of the registered ES Covered Bondholder, the number of ES Covered Bonds registered with the relevant ES Covered Bondholder, the address of the relevant ES Covered Bondholder, the account operator in respect of the relevant Euroclear Sweden account (Kontoförande) and whether or not the ES Covered Bonds are registered in the name of a nominee and the identity of any such nominee.

In order to comply with these Terms and Conditions, the Issuer and the Issuing Agent, may collect and process personal data about the ES Covered Bondholder.



**10. MEETINGS OF ES COVERED BONDHOLDERS**

- (a) The Issuing Agent is entitled to convene a meeting for the ES Covered Bondholders of a Series of ES Covered Bonds and must convene a meeting for the ES Covered Bondholders of a Series of ES Covered Bonds at the request of (i) the relevant Dealer(s) appointed in respect of the original issue of ES Covered Bonds (ii) the Issuer or (iii) ES Covered Bondholders who, at the time of the request, represent at least one-tenth of the nominal amount outstanding of the relevant ES Covered Bonds for the time being outstanding.
- (b) The Issuing Agent shall convene a meeting of ES Covered Bondholders of a Series of ES Covered Bonds or by written notice to each ES Covered Bondholder, the Issuer and the relevant Dealer(s) within five Stockholm Business Days of the date on which the request was received from the Issuer, the requisitioning ES Covered Bondholder(s) or the relevant Dealer(s) in accordance with paragraph (a) (or such later date as necessary for technical or administrative reasons only).
- (c) The Issuing Agent may refrain from convening a meeting of ES Covered Bondholders if (i) the proposed resolution must be approved by a person in addition to the ES Covered Bondholders and this person has notified the Issuing Agent that such approval will not be given; or (ii) the proposed resolution is not compatible with applicable law.
- (d) The notice given in accordance with paragraph (b) shall contain (i) the time of the meeting; (ii) the place of the meeting; (iii) an agenda (including each request by an ES Covered Bondholder for a resolution); and (iv) a proxy form. A decision may not be made at the meeting in respect of any matter that is not listed in the notice. If ES Covered Bondholders are required to announce their intention to participate in the meeting, the notice shall contain information regarding such requirement.
- (e) The meeting shall be held no earlier than fifteen Stockholm Business Days and no later than thirty Stockholm Business Days after the notice given in accordance with paragraph (b). Meetings in respect of more than one Series of ES Covered Bonds may be held on the same occasion.
- (f) Without deviating from these provisions relating to meetings of ES Covered Bondholders, the Issuing Agent may stipulate further provisions, as it deems appropriate, regarding the convening and holding of the meeting. Such provisions may, among other things, include provisions enabling ES Covered Bondholders to vote without attending the meeting in person or to allow the voting to take place electronically or through written voting procedures.
- (g) Any person other than an ES Covered Bondholder wishing to exercise the rights of the ES Covered Bondholder thereof or vote at a meeting of the ES Covered Bondholders thereof must present a duly authorised power of attorney or other proof of authorisation from the relevant ES Covered Bondholder. Any ES Covered Bondholder may issue more than one power of attorney to such person or persons to represent it in relation to some, or all, of the ES Covered Bonds held by such ES Covered Bondholder. Unless otherwise specified as a term of the relevant authorisation, any such duly authorised representative or attorney may act independently from the ES Covered Bondholder or any other duly authorised representative or attorney.
- (h) Only a person who has been issued a power of attorney in accordance with paragraph (g) by someone who is an ES Covered Bondholder on the fifth Stockholm Business Day prior to the scheduled date of the meeting of ES Covered Bondholders (or such other period of time prior to the relevant meeting as is customary market practice in the market for bonds or ES Covered Bonds cleared through Euroclear Sweden) (the Meeting Record Date) for the meeting may exercise voting rights at such meeting. The Issuing Agent may attend the meeting and shall ensure that an extract from the Euroclear Sweden Register on the Meeting Record Date for the Meeting is available at the meeting.
- (i) The ES Covered Bondholders, the Issuing Agent, the Issuer and their respective representatives or assistants, are entitled to attend a meeting. The meeting may resolve that other persons may attend. The meeting may resolve that the Issuer and its representatives or assistants may only participate in a part or parts of the meeting. Representatives shall submit a duly issued power of attorney to be approved by the chairperson of the meeting. The

meeting shall commence with the appointment of a chairperson, a secretary to take the minutes, and persons to attest the minutes. The chairperson shall prepare a list of ES Covered Bondholders that are present and entitled to vote at the meeting, with information on the proportion of the nominal amount outstanding of the relevant Series of ES Covered Bonds that is held by each respective ES Covered Bondholder (the Voting Register). The Voting Register shall thereafter be approved by the meeting. When applying these provisions, ES Covered Bondholders who have cast their vote via electronic voting, ballot paper or the equivalent shall be deemed to be present at the meeting. Only those who were ES Covered Bondholders or representatives for such ES Covered Bondholders on the Meeting Record Date are entitled to vote and shall be included in the Voting Register. The Issuer shall be granted access to the relevant voting calculations and the basis for these. The minutes shall be completed as soon as possible and made available to ES Covered Bondholders, the Issuer and the Issuing Agent.

- (j) Decisions on the following matters require the approval of ES Covered Bondholders representing at least 90 per cent of the nominal amount outstanding of the relevant Series of ES Covered Bonds for which ES Covered Bondholders are voting under at the meeting:
- (i) other than in accordance with the applicable Final Terms, any modification of the Maturity Date of the relevant Series of ES Covered Bonds reduction or cancellation of the nominal amount payable upon maturity, any change in the terms relating to interest, interest rate or the calculation thereof in respect of the relevant Series of ES Covered Bonds or any reduction or cancellation of the amount payable;
  - (ii) any modification of the currency in which payments under the relevant Series of ES Covered Bonds are to be made;
  - (iii) any modification of the provisions in respect of meetings of ES Covered Bondholders set out in this Condition 10;
  - (iv) the substitution of the Issuer; or
  - (v) the sanctioning of any scheme or proposal for the exchange or sale of the ES Covered Bonds for, or the conversion of the ES Covered Bonds, or the cancellation of the ES Covered Bonds in consideration of, shares, stock, Covered Bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of shares, stock, Covered Bonds, bonds, debentures, debenture stock and/or other obligations and/or securities as stated above and partly for or into or in consideration of cash.
- (k) Matters which are not covered by paragraph (j) require the approval of ES Covered Bondholders representing more than 50 per cent of the nominal amount outstanding of the relevant Series of ES Covered Bonds for which ES Covered Bondholders are voting under at the meeting. This includes, but is not limited to, amendments and waivers of rights in relation to these Terms and Conditions.
- (l) A quorum at a meeting of ES Covered Bondholders requires the presence of ES Covered Bondholders, in person or via telephone (or by a representative with a power of attorney), representing at least 50 per cent of the nominal amount outstanding of the relevant Series of ES Covered Bonds for matters listed in paragraph (j) and, for any other matter, 20 per cent of the nominal amount outstanding of the relevant Series of ES Covered Bonds.
- (m) If the meeting of ES Covered Bondholders has not met the necessary quorum requirements, the Issuing Agent shall convene a new meeting (in accordance with paragraph (b)) provided that the relevant proposal has not been withdrawn by the person or entity requesting the meeting. The quorum requirement in paragraph (l) shall not apply to such new meeting. If the meeting has met the quorum requirement for some, but not all, matters which are to be resolved on in the meeting, decisions shall be made on those matters for which a quorum is present, and any other matter shall be referred to a new meeting.

- (n) A decision at a meeting of ES Covered Bondholders which imposes new obligations on, or limits the rights of, the Issuer, the Issuing Agent or a Dealer under the Terms and Conditions of the ES Covered Bonds requires the written approval of the relevant party.
- (o) A resolution passed at a meeting of ES Covered Bondholders to authorise any modification to any Series of ES Covered Bonds are subject to the prior permission of the Competent Authority.
- (p) An ES Covered Bondholder which holds more than one ES Covered Bond need not vote for all, or vote in the same way for all ES Covered Bonds held.
- (q) The Issuer may not, directly or indirectly, pay or contribute to the payment of any inducement, fee, compensation or other consideration to any ES Covered Bondholder for its approval of any matter to be resolved on at a meeting of ES Covered Bondholders unless such inducement, fee, compensation or other consideration is offered to all ES Covered Bondholders who provide their consent at the relevant meeting.
- (r) A decision made at a meeting of ES Covered Bondholders shall be binding on all ES Covered Bondholders under the relevant Series of ES Covered Bonds, whether or not they were present at the meeting. ES Covered Bondholders shall not be held liable for any damage that the decision may cause another ES Covered Bondholder.
- (s) The Issuer shall reimburse the Issuing Agent for all costs, expenses and disbursements properly incurred by it in connection with any meeting of ES Covered Bonds, including reasonable compensation for the Issuing Agent.
- (t) At the request of the Issuing Agent, the Issuer shall provide the Issuing Agent with a certificate, without delay, stating the nominal amount outstanding of any Series of ES Covered Bonds or which, as at the Meeting Record Date, are being held by or for the benefit of the Issuer or any Subsidiary of the Issuer, which ES Covered Bonds shall, unless and until ceasing to be so held, be deemed not to be "outstanding" for the purposes of this Condition 10. The Issuing Agent shall not be held responsible for the content of such certificate or otherwise for determining whether an ES Covered Bond is so owned by the Issuer or a Subsidiary of the Issuer.
- (u) ES Covered Bondholders of the relevant Series shall be notified, without delay, of any and all decisions made at a meeting in accordance with Condition 8 of the Terms and Conditions of the ES Covered Bonds. At the request of an ES Covered Bondholder, the Issuing Agent shall provide the ES Covered Bondholder with the minutes from the relevant meeting. Failure to notify the ES Covered Bondholders as stated above in this paragraph does not affect the validity of any matter resolved on at the meeting.
- (v) The chairperson shall ensure that minutes of all resolutions and proceedings at every meeting are made and signed by the chairperson. Any minutes signed by the chairperson of the meeting at which any resolution was passed or proceedings had shall be conclusive evidence of the matters contained in the meeting and until the contrary is proven, every meeting in respect of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.

## **11. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the ES Covered Bondholders to create and issue further notes having terms and conditions the same as the ES Covered Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding ES Covered Bonds.

## **12. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **12.1 Governing law**

The ES Covered Bonds and any non-contractual obligations arising out of or in connection with the ES Covered Bonds are governed by, and shall be construed in accordance with, Swedish law.

## 12.2 Submission to jurisdiction

The Courts of the Kingdom of Sweden are to have jurisdiction to settle any disputes that may arise out of or in connection with any ES Covered Bonds and accordingly any legal action or proceedings arising out of or in connection with any ES Covered Bonds may be brought in such courts. The District Court of Stockholm (*Stockholms tingsrätt*) shall be the court of first instance. Each of the Issuer and any ES Covered Bondholders submits to the exclusive jurisdiction of the Swedish courts in relation to any proceedings.

## 13. SWEDISH STATUTORY BAIL-IN POWERS

Notwithstanding and to the exclusion of any other term of the ES Covered Bonds or any other agreements, arrangements or understanding between the Issuer and any ES Covered Bondholder (which, for the purposes of this Condition, includes each holder of a beneficial interest in the ES Covered Bonds), by its acquisition of the ES Covered Bonds, each ES Covered Bondholder acknowledges, accepts and agrees to be bound by the exercise of, any Bail-in Power by the Swedish National Debt Office (*Riksgäldskontoret*) or any successor or replacement thereto and/or such other authority which has the ability to exercise any Bail-in Power in relation to the Issuer (the **Relevant Resolution Authority**) that may result in the write-down or cancellation of all, or a portion, of the principal amount of, or payments of interest or other distributions on, the ES Covered Bonds and/or the conversion of all, or a portion, of the principal amount of, or payments of interest or other distributions on, the ES Covered Bonds into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the ES Covered Bonds to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power. Each ES Covered Bondholder further acknowledges and agrees that the rights of the ES Covered Bondholders are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any Bail-in Power by the Relevant Resolution Authority.

For these purposes, a Bail-in Power means any statutory write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of the BRRD, the Resolution Act (*Lag (2015:1016) om resolution*) and/or the Precautionary Support Act (*Lag (2015:1017) om förebyggande statligt stöd till kreditinstitut*) as amended or replaced from time to time and any instruments, rules and standards created thereunder, pursuant to which liabilities of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified and/or converted into shares or other securities or obligations of the Issuer or any other person. BRRD means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014, as amended or replaced from time to time.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Bail-in Power or the date from which the Bail-in Power shall be effective with respect to the ES Covered Bonds, the Issuer shall notify the ES Covered Bondholders in accordance with Condition 8 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the ES Covered Bonds described in this Condition.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the ES Covered Bonds shall not constitute an Event of Default and these Conditions shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the ES Covered Bonds, subject to any modification of the amount of interest or other distributions payable to reflect the reduction of the principal amount, and any further modification of these Conditions that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden.

Each ES Covered Bondholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the ES Covered Bonds.

## **TERMS AND CONDITIONS OF THE VPS COVERED BONDS**

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*The following are the “Terms and Conditions of the VPS Covered Bonds”. VPS Covered Bonds will not be evidenced by any physical bond or document of title other than a statement of account made by the VPS. Ownership of VPS Covered Bonds will be recorded and transfer effected only through the book-entry system and register maintained by the VPS.*

The VPS Covered Bonds are issued in accordance with the Swedish Act (2003:1223) on issuance of Covered Bonds (*Lag (2003:1223) om utgivning av säkerställda obligationer*) (the **Swedish Act on Issuance of Covered Bonds**) as amended from time to time.

Each VPS Covered Bond will be one of a Series (as defined below) of VPS Covered Bonds issued by the Issuer and each VPS Covered Bond will be issued in accordance with and subject to the trust agreement (such trust agreement as modified and/or supplemented and/or restated from time to time, the **VPS Trustee Agreement**) dated 4 May 2020 made between the Issuer and Nordic Trustee AS (the **VPS Trustee**, which expression shall include any successor as Trustee).

References herein to the VPS Covered Bonds shall be references to the VPS Covered Bonds of this Series and shall mean Covered Bonds registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be Verdipapirsentralen ASA, trading as *Euronext Securities Oslo* (**VPS Covered Bonds** and the **VPS**, respectively).

The VPS Covered Bonds have the benefit of the VPS Agency Agreement dated 24 June 2008 as amended by the VPS Agency Amendment Agreements dated 17 June 2009, 25 May 2010, 31 May 2011 and 29 May 2013 (together, the **VPS Agency Agreement**) between the Issuer and DNB Bank ASA (the **VPS Agent**).

Each Tranche of VPS Covered Bonds will be created and held in registered, uncertificated and dematerialised book-entry form in accounts with the VPS. The VPS Agent will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Covered Bonds as detailed in the VPS Agency Agreement.

The final terms for each Tranche of VPS Covered Bonds (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these terms and conditions of the VPS Covered Bonds (the **VPS Covered Bond Conditions**). References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) prepared by the Issuer in relation to the relevant VPS Covered Bonds. The expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended).

The VPS Trustee acts for the benefit of the holders for the time being of the VPS Covered Bonds (the **VPS Covered Bondholders**), in accordance with the provisions of the VPS Trustee Agreement and these VPS Covered Bond Conditions.

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

Copies of the VPS Agency Agreement and the VPS Trustee Agreement are available for inspection during normal business hours at the specified office of the VPS Agent and at the registered office of the VPS Trustee at Kronprinsesse Märthas plass 1, N-0160, Oslo, Norway. If the VPS Covered Bonds are to be admitted to trading on the regulated market of the Oslo Stock Exchange the applicable Final Terms will be published on the website of Oslo Børs (Oslo Stock Exchange) (<https://www.euronext.com>). The VPS Covered Bondholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Agency Agreement, the VPS Trustee Agreement and the Final Terms which are applicable to them. The statements in these VPS Covered Bond Conditions include summaries of, and are subject to, the detailed provisions of the VPS Agency Agreement and the VPS Trustee Agreement.

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

the VPS Trustee Agreement or the VPS Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these VPS Covered Bond Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## 1. FORM, DENOMINATION AND TITLE

The VPS Covered Bonds are in registered, uncertificated and dematerialised book-entry form in the denomination of NOK 500,000 and/or such other currency and Specified Denomination(s) as shown in Part A of the relevant Final Terms *provided that* in the case of any Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Base Prospectus under the EU Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Covered Bonds) and will be registered with a separate securities identification code in the VPS.

VPS Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds, VPS or otherwise, of another Specified Denomination. VPS Covered Bonds will be registered with a separate securities identification code in the VPS.

VPS Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

The VPS Covered Bondholder will be the person evidenced as such by a book-entry in the records of the VPS. The Issuer and the VPS Trustee may rely on a certificate of the VPS or one issued on behalf of the VPS by an account-carrying institution as to a particular person being a VPS Covered Bondholder.

Title to the VPS Covered Bonds will pass by registration in the VPS between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS that are in force from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the VPS Covered Bondholder.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of the VPS as the VPS Covered Bondholder of a particular nominal amount of such VPS Covered Bonds shall be treated by the Issuer, the VPS Trustee and the VPS Agent, as the VPS Covered Bondholder of such nominal amount of such VPS Covered Bonds for all purposes. VPS Covered Bonds will be transferable only in accordance with the rules and procedures for the time being of the VPS.

## 2. STATUS OF THE VPS COVERED BONDS

The Covered Bonds constitute unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The Covered Bonds are obligations issued in accordance with the Swedish Act on Issuance of Covered Bonds and rank *pari passu* with all other outstanding Covered Bonds and all other obligations of the Issuer which benefit from the same priority rights in the Cover Pool as Covered Bonds under the Swedish Rights of Priority Act (*Förmånsrättslagen (1970:979)*) and the Swedish Act on Issuance of Covered Bonds.

## 3. INTEREST

### 3.1 Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest from and including the Interest Commencement Date to (but excluding) the Maturity Date or, if the applicable Final Terms specifies that an Extended Final Maturity Date applies, the Extended Final Maturity Date or any earlier Interest Payment Date on which the Covered Bonds are redeemed in full, *provided that* any amounts representing interest payable after the Maturity Date shall be paid at such rate and on such dates as specified in the Final Terms.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these VPS Covered Bond Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these VPS Covered Bond Conditions:

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.1:

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

**Determination Period** means the period from (and including) a Determination Date to but excluding the next Determination Date; and

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

### 3.2 Interest on Floating Rate Covered Bonds

- (a) Interest Payment Dates

Each Floating Rate Covered Bond bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) (each an **Interest Payment Date**) in each year specified in the applicable Final Terms; or

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

Such interest will be payable in respect of each Interest Period (which expression shall, in these VPS Covered Bond Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 3.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these VPS Covered Bond Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the real-time gross settlement system operated by the Eurosystem (the **T2 System**) is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the applicable Final Terms.

- (i) Screen Rate Determination for Floating Rate Covered Bonds (other than Floating Rate Covered Bonds which reference SONIA, SOFR or €STR)



Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is not SONIA, SOFR or €STR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

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

If the Relevant Screen Page is not available or if, in the case of Condition 3.2(b)(i)(C), no offered quotation appears or, in the case of Condition 3.2(b)(i)(D), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

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

have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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

In this Condition 3.2(b)(i):

- (1). **Reference Banks** means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms; and
  - (2). **Specified Time** means 11.00 a.m. (Brussels time, in the case of a determination of EURIBOR or Stockholm time, in the case of a determination of STIBOR) or 12.00 noon (Oslo time, in the case of a determination of NIBOR).
- (C) Screen Rate Determination for Floating Rate Covered Bonds which reference SONIA, SOFR or €STR

If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SONIA, SOFR or €STR:

- (1). where the Calculation Method in respect of the relevant Series of Covered Bonds is specified in the applicable Final Terms as being **Compounded Daily**, the Rate of Interest applicable to the Covered Bonds for each Interest Period will (subject to Condition 3.4 and Condition 3.2(c)) be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date.
- (2). where the Calculation Method in respect of the relevant Series of Covered Bonds is specified in the applicable Final Terms as being **Weighted Average**, the Rate of Interest applicable to the Covered Bonds for each Interest Period will (subject to Condition 3.4 and Condition 3.2(c)) be the Weighted Average Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date.

- (D) Where **SONIA** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 3.4, if, in respect of any Business Day, the Calculation Agent determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:
- (1). (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
  - (2). if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraph above, and without prejudice to Condition 3.4, in the event of the Bank of England publishing guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent reasonably practicable, follow such guidance in order to determine the SONIA rate, for purposes of the Covered Bonds, for so long as the SONIA rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Terms and Conditions of the VPS Covered Bonds or the VPS Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Rate of Interest, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Terms and Conditions of the VPS Covered Bonds and the VPS Agency Agreement. No consent of the Bondholders shall be required in connection with effecting any amendment or modification in accordance with the foregoing, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the VPS Agency Agreement (if required).

- (E) Where **SOFR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 3.4, if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page.
- (F) Where **€STR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 3.4, if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published on the Relevant Screen Page.

(G) For the purposes of this Condition 3.2(b)(i):

**Applicable Period** means:

- (1) where **Lag** or **Lock-out** is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; and
- (2) where **Observation Shift** is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

**Business Day** or **BD** means (i) where **SONIA** is specified as the Reference Rate in the applicable Final Terms, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London; (ii) where **SOFR** is specified as the Reference Rate in the applicable Final Terms, any day which is a U.S. Government Securities Business Day and is not a legal holiday in New York and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed other than any U.S. Government Securities Business Day falling in the period from (and including) the date falling  $z$  Euro Banking Days prior to (but excluding) the corresponding Interest Payment Date in relation to such Interest Period; and (iii) where **€STR** is specified as the Reference Rate in the applicable Final Terms, a T2 Settlement Day;

**Compounded Daily Reference Rate** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to (i) (in the case of SOFR and €STR) the fifth decimal place, with 0.000005 being rounded upwards and (ii) (in the case of SONIA) the fourth decimal place, with 0.00005 being rounded upwards:

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

$D$  is the number specified in the applicable Final Terms;

$d$  means, for the relevant Applicable Period, the number of calendar days in such Applicable Period;

$d_o$  means, for the relevant Applicable Period, the number of Business Days in such Applicable Period;

**€STR** means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such euro Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank currently at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank (the **ECB's Website**) in each case, on or before 9:00 a.m., (Central European Time) on the euro Business Day immediately following such Business Day;

$i$  means, for the relevant Applicable Period, a series of whole numbers from one to  $d_o$ , each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period;

**Lock-out Period** means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding

Interest Payment Date (such period not to be not less than five Business Days without the Calculation Agent's prior written agreement);

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

$n_i$ , for any Business Day  $i$  in the Applicable Period, means the number of calendar days from, and including, such Business Day  $i$  up to, but excluding, the following Business Day;

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

**Observation Period** means, in respect of the relevant Interest Period, the period from, and including, the date falling  $p$  Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is  $p$  Business Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  Business Days prior to such earlier date, if any, on which the Covered Bonds become due and payable);

$p$  means, for any Interest Period:

- (1). where **Lag** is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms provided that  $p$  shall not be less than three Business Days at any time and shall not be less than  $z$  Euro Banking Days without the prior written agreement of the Calculation Agent (or, if no such number is specified five Business Days);
- (2). where **Lock-out** is specified as the Observation Method in the applicable Final Terms, zero;
- (3). where **Observation Shift** is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms provided that  $p$  shall not be less than three Business Days at any time and shall not be less than  $z$  Euro Banking Days without the prior written agreement of the Calculation Agent (or if no such number is specified, five Business Days);

**Reference Day** means each Business Day in the relevant Interest Period, other than any Business Day in the Lock-out Period;

$r$  means:

- (1). where in the applicable Final Terms **Lag** or **Shift** is specified as the Observation Method, in respect of any Business Day, the Reference Rate in respect of such Business Day; or
- (2). where in the applicable Final Terms **Lock-out** is specified as the Observation Method, in respect of any Business Day  $i$  falling in the relevant Interest Period, the Reference Rate for the Business Day immediately preceding such day; and in respect of any Business Day  $i$  falling during the **Lock-out Period** specified in the applicable Final Terms (provided that the Lock-out Period shall not be less than three Business Days at any time and shall not be less than five Business Days without the prior agreement of the Calculation Agent or, where no **Lock-out Period** is

specified, five Business Days prior to each Interest Payment Date), the Reference Rate in respect of the Business Day immediately preceding the last Business Day in the relevant Interest Period (such last Business Day coinciding with the relevant Interest Determination Date);

$r_i$  means, the applicable Reference Rate as set out in the definition of  $r$  above for:

- (1). where in the applicable Final Terms **Lag** is specified as the Observation Method, the Business Day (being a Business Day falling in the relevant Observation Period) falling  $p$  Business Days prior to the relevant Business Day  $i$ ; or
- (2). where in the applicable Final Terms **Lock-out** or **Shift** is specified as the Observation Method, the relevant Business Day  $i$ ;

**SOFR** means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Federal Reserve's Website, in each case on or about 5.00 p.m. (New York City Time) on the Business Day immediately following such Business Day;

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

**T2 Settlement Day** means any day on which the T2 System is open for the settlement of payments in euro;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

**Weighted Average Reference Rate** means, with respect to an Interest Period, the arithmetic mean of the Reference Rate in effect for each calendar day during such Interest Period (with the applicable Reference Rate (as indicated in the applicable Final Terms) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to (i) (in the case of SOFR and €STR) the fifth decimal place, with 0.000005 being rounded upwards and (ii) (in the case of SONIA) the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \sum_{i=1}^{d_0} \left( \frac{r_i \times n_i}{D} \right) \right] \times \frac{D}{d}$$

$z$  means, the number of Euro Banking Days specified as such in the relevant Final Terms, provided that  $z$  shall not be less than five Euro Banking Days without the prior written approval of the Calculation Agent, or if no such number is specified, five Euro Banking Days.

where:

**Business Day**, *BD*, *D*, *d*, *d<sub>o</sub>*, *i*, *n* and *p* have the meanings given to them in the provision relating to Compounded Daily Reference Rate specified above;

*r<sub>i</sub>* means (unless otherwise specified in the applicable Final Terms):

- (1). where in the applicable Final Terms **Lag** is specified as the Observation Method, in respect of any Business Day *i* falling in the relevant Interest Period, the Reference Rate for the Business Day falling *p* Business Days prior to such day *i*;
- (2). where in the applicable Final Terms **Lock-out** is specified as the Observation Method, the Reference Rate determined in accordance with paragraph (1), except that in respect of each Business Day *i* falling during the **Lock-out Period** specified in the applicable Final Terms (provided that the Lock-out Period shall not be less than three Business Days at any time and shall not be less than five Business Days without the prior agreement of the Calculation Agent or, where no **Lock-out Period** is specified, five Business Days prior to each Interest Payment Date) until the end of each relevant Interest Period, the Reference Rate determined in accordance with paragraph (1) in respect of the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date); and
- (3). where in the applicable Final Terms **Shift** is specified as the Observation Method in respect of any Business Day *i* falling in the relevant Observation Period, the Reference Rate in respect of that day *i*; and

*z* means, the number of Euro Banking Days specified as such in the relevant Final Terms, provided that *z* shall not be less than five Euro Banking Days without the prior written approval of the Calculation Agent, or if no such number is specified, five Euro Banking Days.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Calculation Agent, in the case of Floating Rate Covered Bonds, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent, in the case of Floating Rate Covered Bonds, will calculate the amount of interest (the **Interest Amount**) payable on such Floating Rate Covered Bonds in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the

nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3.2:

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

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

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M2** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D1** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case **D1** will be 30; and

**D2** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and **D1** is greater than 29, in which case **D2** will be 30;

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

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

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;



*M2* is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

*D1* is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case *D1* will be 30; and

*D2* is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case *D2* will be 30;

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the VPS Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate or the relevant Floating Rate Option, which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer shall instruct the Issuing Agent to determine such rate at such time and by reference to such sources as the Issuer notifies to it.

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

(f) Notification of Rate of Interest and Interest Amounts

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the VPS Agent, the VPS Trustee and the VPS and notice thereof to be published in accordance with Condition 9 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the VPS Covered Bondholders in accordance with Condition 9. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the VPS rules and regulations for the time being in effect.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.2 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### 3.3 Interest Rate and Payments from the Maturity Date if Statutory Extended Final Maturity applies

- (a) If Statutory Extended Final Maturity is specified as being applicable in the applicable Final Terms and the Issuer has received approval from the SFSA to extend the maturity as a result of it being deemed likely that the extension will prevent the Issuer's insolvency, each VPS Covered Bond shall bear interest in accordance with this Condition 3.3 on its outstanding nominal amount from (and including) the Maturity Date to (but excluding) the Statutory Extended Final Maturity Date, subject to Condition 3.5. In such circumstances, the Rate of Interest for each Interest Period falling after the Maturity Date, and the amount of interest

payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Calculation Agent, in accordance with Condition 3.2, *mutatis mutandis*, and the applicable Final Terms of such extension as soon as possible thereafter.

- (b) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.3, by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuing Agent, the other Paying Agents, the VPS Agent and all Noteholders and (in the absence as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Issuing Agent, the Calculation Agent (if applicable) or the VPS Agent as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- (c) This Condition 3.3 shall only apply if the Issuer has received approval from the SFSA to extend the maturity as a result of it being deemed likely that the extension will prevent the Issuer's insolvency and the maturity of such VPS Covered Bonds will in such case be automatically extended to the Statutory Extended Final Maturity Date in accordance with Condition 5.1.

### 3.4 **Benchmark Replacement**

Notwithstanding the foregoing provisions of this Condition 3, if the Issuer (in consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, the following provisions shall apply:

- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (in consultation with the Issuer) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the VPS Covered Bonds for all future Interest Periods (subject to the subsequent provisions of this Condition 3.4);
- (b) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (c) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (b), the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided, however, that* if this sub-paragraph (c) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the date falling not less than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (c), the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent

to the relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the margin relating to that last preceding Interest Period);

- (d) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the VPS Covered Bonds for all future Interest Periods (subject to the subsequent provisions of this Condition 3.4);
- (e) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (f) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) may also specify changes to the definitions of Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the VPS Covered Bonds, and the method for determining the fallback rate in relation to the VPS Covered Bonds, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the VPS Covered Bonds for all future Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 3.4); and
- (g) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (f) to the Agent and the VPS Covered Bondholders.

Notwithstanding any other provision of this Condition 3.4, if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 3.4, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

Such benchmark replacement shall not impose more onerous obligations on the party responsible for determining the Rate of Interest or expose it to any additional duties or liabilities unless such party consents.

In these VPS Covered Bond Conditions:

**Adjustment Spread** means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

- (b) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to VPS Covered Bondholders as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Benchmark Rate (as applicable);

**Benchmark Event** means:

- (a) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered;
- (b) public statement by the administrator of the relevant Reference Rate (as applicable) that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);
- (c) public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued;
- (d) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that means that such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (e) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any VPS Covered Bondholder using the relevant Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable);

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

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

**Successor Rate** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (in consultation with the Issuer) determines is a successor to or replacement of the relevant Reference Rate which is formally recommended by any Relevant Nominating Body Independent Adviser.

### 3.5 **Accrual of interest**

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

- (i) the date on which all amounts due in respect of such VPS Covered Bond have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such VPS Covered Bond has been received by the Agent and notice to that effect has been given to the VPS Covered Bondholders in accordance with Condition 9.

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in respect of the VPS Covered Bonds and for so long as any VPS Covered Bond is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of

the VPS Covered Bonds, references in these VPS Covered Bond Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these VPS Covered Bond Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

For the purpose hereof, **outstanding** means, in relation to the VPS Covered Bonds of any Series, all such VPS Covered Bonds issued other than:

- (a) those VPS Covered Bonds which have been redeemed and cancelled pursuant to these VPS Covered Bond Conditions;
- (b) those VPS Covered Bonds in respect of which the date for redemption in accordance with these VPS Covered Bond Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under these VPS Covered Bond Conditions after that date) have been duly paid to or to the order of the VPS Agent (and where appropriate notice to that effect has been given to the VPS Covered Bondholder in accordance with these VPS Covered Bond Conditions) and remain available for payment against presentation of the relevant VPS Covered Bonds;
- (c) those VPS Covered Bonds which have been purchased and cancelled in accordance with these VPS Covered Bond Conditions; and
- (d) those VPS Covered Bonds in respect of which claims have become prescribed under these VPS Covered Bond Conditions.

## 4. PAYMENTS

### 4.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 6, and (ii) 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, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

Notwithstanding any other provision of these VPS Covered Bond Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the VPS Covered Bonds for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

#### 4.2 **Payment of Principal and Interest**

Payments of principal and interest in respect of VPS Covered Bonds and notification thereof to VPS Covered Bondholders will be made to the VPS Covered Bondholders shown in the records of the VPS and will be effected through and in accordance with and subject to the VPS Agency Agreement and the rules and regulations from time to time governing the VPS. The VPS Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any VPS Covered Bondholder. The Issuer reserves the right at any time with the approval of the VPS Trustee to vary or terminate the appointment of the VPS Agent or the Calculation Agent and to appoint additional or other agents, *provided that* the Issuer shall at all times maintain (a) a VPS Agent authorised to act as an account operating institution with the VPS, (b) one or more Calculation Agent(s) where these VPS Covered Bond Conditions so require, and (c) such other agents as may be required by any other stock exchange on which the VPS Covered Bonds may be listed in each case.

Notice of any such change or of any change of any specified office shall promptly be given to the VPS Covered Bondholders in accordance with Condition 9.

#### 4.3 **Payment Day**

If the date for payment of any amount in respect of any VPS Covered Bond is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 7) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 System is open.

#### 4.4 **Interpretation of principal and interest**

Any reference in these VPS Covered Bond Conditions to principal in respect of the VPS Covered Bonds shall be deemed to include, as applicable:

- (a) the Final Redemption Amount of the VPS Covered Bonds;
- (b) the Optional Redemption Amount(s) (if any) of the VPS Covered Bonds;
- (c) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 5.5); and
- (d) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS Covered Bonds.

### 5. **REDEMPTION AND PURCHASE**

#### 5.1 **Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each VPS Covered Bond will be redeemed by the Issuer at (i) if the VPS Covered Bonds are not Zero Coupon Covered Bonds, 100 per cent of its nominal amount, or (ii) if the VPS Covered Bonds are Zero Coupon Covered Bonds, its Final Redemption Amount specified in the applicable Final Terms, in each case, in the relevant Specified Currency on the Maturity Date, subject as provided below if Statutory Extended Final Maturity is specified as being applicable in the applicable Final Terms.

If Statutory Extended Final Maturity is specified as being applicable in the applicable Final Terms, then (subject as provided below) payment of the Final Redemption Amount by the Issuer shall be

automatically deferred until the Statutory Extended Final Maturity Date specified in the applicable Final Terms.

The Issuer shall confirm to the VPS Trustee and the VPS Agent as soon as reasonably practicable and in any event at least four business days in Stockholm prior to the Maturity Date of any inability of the Issuer to pay in full the Final Redemption Amount in respect of a Series of Covered Bonds on that Maturity Date. Any failure by the Issuer to notify the VPS Agent shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party and shall not constitute a default.

Where the applicable Final Terms provides that Statutory Extended Final Maturity Date applies, any such failure by the Issuer to pay (in full) the Final Redemption Amount on the Maturity Date shall not constitute a default in payment.

For the purposes of these VPS Covered Bond Conditions:

**Statutory Extended Final Maturity Date** means, in relation to any Series of VPS Covered Bonds, the date (if any) specified as such in the applicable Final Terms to which the payment of all of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Issuer has received approval from the SFSA to extend the maturity of such Covered Bonds as a result of it being deemed likely that the extension will prevent the Issuer's insolvency (a **Statutory Maturity Extension Approval**).

If the Maturity Date is extended to the Statutory Extended Final Maturity Date in accordance with this Condition 5.1, the Issuer shall give not less than 30 days' notice of such extension to the Noteholders (or, if the Statutory Maturity Extension Approval is received 30 days or fewer prior to the Final Maturity Date, the Issuer shall give notice of such extension to the Noteholders as soon as reasonably practicable) in accordance with Condition 9 (however, any failure by the Issuer to give such notice shall not in any event affect the validity or effectiveness of the extension nor give any Noteholder any right to receive any payment of interest, principal or otherwise with respect to the relevant Covered Bonds other than as expressly set out in these Conditions).

## **5.2 Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the VPS Covered Bondholders in accordance with Condition 9; and
- (b) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the VPS Covered Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of VPS Covered Bonds, the VPS Covered Bonds to be redeemed will be selected in accordance with the rules of the VPS not more than 30 days prior to the date fixed for redemption.

## **5.3 Purchases**

The Issuer or any Subsidiary of the Issuer may at any time purchase VPS Covered Bonds at any price in the open market or otherwise.

## **5.4 Cancellation**

All VPS Covered Bonds purchased by or on behalf of the Issuer or any of its Subsidiaries may be cancelled by causing such VPS Covered Bonds to be deleted from the records of the VPS.

All VPS Covered Bonds which are redeemed will forthwith be cancelled in the same manner. Any VPS Covered Bonds so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such VPS Covered Bonds shall be discharged.

## 5.5 Late payment on Zero Coupon Covered Bonds

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 5.1 or 5.2 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Amortised Face Amount =  $RP \times (1 + AY)^x$  where:

**RP** means the Reference Price;

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

**x** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Zero Coupon Covered Bonds to (but excluding) the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Agent and notice to that effect has been given to the VPS Covered Bondholders in accordance with Condition 9,

and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Zero Coupon Covered Bonds to (but excluding) the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Agent and notice to that effect has been given to the VPS Covered Bondholders in accordance with Condition 9,

and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Zero Coupon Covered Bonds to (but excluding) the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Agent and notice to that effect has been given to the VPS Covered Bondholders in accordance with Condition 9, and the denominator will be 365.

## 6. TAXATION

All payments of principal and interest in respect of the VPS Covered Bonds by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law, in which case such deduction will be made by the Issuer.

**Tax Jurisdiction** means the Kingdom of Sweden (**Sweden**) or any political subdivision or any authority thereof or therein having the power to tax.

## 7. PRESCRIPTION

The VPS Covered Bonds will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

As used herein **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the VPS Agent on or prior to



such due date, it means the date on which the full amount of such moneys having been so received, notice to that effect is duly given to the VPS Covered Bondholders in accordance with Condition 9.

## **8. TRANSFER AND EXCHANGE OF VPS COVERED BONDS**

### **8.1 Transfers of Interests in VPS Covered Bonds**

Settlement of sale and purchase transactions in respect of VPS Covered Bonds will take place two Oslo Business Days after the date of the relevant transaction. VPS Covered Bonds may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of VPS Covered Bonds which is held in the VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS. For the purpose of this Condition, **Oslo Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Oslo.

### **8.2 Registration of transfer upon partial redemption**

In the event of a partial redemption of VPS Covered Bonds under Condition 5, the Issuer shall not be required to register the transfer of any VPS Covered Bond, or part of a VPS Covered Bond, called for partial redemption.

### **8.3 Costs of registration and administration of the VPS Register**

VPS Covered Bondholders will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to the VPS Register, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## **9. NOTICES**

Notices to the VPS Covered Bondholders shall be valid if the relevant notice is given to the VPS for communication by it to the VPS Covered Bondholders and, so long as the VPS Covered Bond are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the date of delivery by the VPS.

## **10. MEETINGS OF VPS COVERED BONDHOLDERS, MODIFICATION AND WAIVER**

The VPS Trustee Agreement contains provisions for convening meetings of the VPS Covered Bondholders to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the VPS Covered Bonds or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, Oslo Børs (Oslo Stock Exchange) or by VPS Covered Bondholders holding not less than 10 per cent of the Voting VPS Covered Bonds. (For the purpose of this Condition, **Voting VPS Covered Bonds** means the aggregate nominal amount of the total number of VPS Covered Bonds not redeemed or otherwise deregistered in the VPS, less the VPS Covered Bonds owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.)

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VPS Covered Bonds or at any adjourned meeting one or more persons being or representing holders of Voting VPS Covered Bonds whatever the nominal amount of the VPS Covered Bonds so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Covered Bonds, the VPS Trustee Agreement (including modifying the date of maturity of the VPS Covered Bonds or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Covered Bonds or altering the currency of payment of the VPS Covered Bonds), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Voting VPS Covered Bonds, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Voting VPS Covered Bonds. A resolution passed at any meeting of the VPS Covered Bondholders shall be binding on all the VPS Covered Bondholders, whether or not they are present at such meeting.

The VPS Trustee Agreement provides that:

- (a) the VPS Trustee may in certain circumstances, without the consent of the VPS Covered Bondholders, make decisions binding on all VPS Covered Bondholders relating to these VPS Covered Bond Conditions, the VPS Trustee Agreement or the VPS Agency Agreement or that is not, in the VPS Trustee's opinion, materially prejudicial to the interests of the VPS Covered Bondholders; and
- (b) the VPS Trustee may reach decisions binding for all VPS Covered Bondholders.

## 11. VPS TRUSTEE

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility. VPS Covered Bondholders are deemed to have accepted and will be bound by these VPS Covered Bond Conditions and the terms of the VPS Trustee Agreement.

## 12. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the VPS Covered Bondholders to create and issue further covered bonds in accordance with the Swedish Act on Issuance of Covered Bonds having terms and conditions the same as the VPS Covered Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding VPS Covered Bonds.

## 13. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 13.1 Governing law

The VPS Covered Bonds and any non-contractual obligations arising out of or in connection with the VPS Covered Bonds are governed by, and shall be construed in accordance with, Swedish law, save as to Conditions 10, 11 and 12 which are governed by, and shall be construed in accordance with, Norwegian law. The VPS Trustee Agreement and VPS Agency Agreement are governed by, and shall be construed in accordance with, Norwegian law.

VPS Covered Bonds must comply with the Norwegian Securities Depository Act of 15 March 2019 no. 6, as amended from time to time, and the VPS Covered Bondholders will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

### 13.2 Submission to jurisdiction

The Courts of the Kingdom of Sweden are to have jurisdiction to settle any disputes that may arise out of or in connection with any VPS Covered Bonds (a **Dispute**) and accordingly any legal action or proceedings arising out of or in connection with any Notes may be brought in such courts. The District Court of Stockholm (*Stockholms tingsrätt*) shall be the court of first instance. Each of the Issuer and any VPS Covered Bondholders submits to the exclusive jurisdiction of the Swedish courts in relation to any proceedings.

The Issuer agrees, for the exclusive benefit of the VPS Trustee and the VPS Covered Bondholders that the courts of Norway are to have jurisdiction to settle any Disputes which may arise out of, or in connection with, the VPS Trustee Agreement and the VPS Agency Agreement.

## 14. SWEDISH STATUTORY BAIL-IN POWERS

Notwithstanding and to the exclusion of any other term of the VPS Covered Bonds or any other agreements, arrangements or understanding between the Issuer and any VPS Covered Bondholder (which, for the purposes of this Condition, includes each holder of a beneficial interest in the VPS Covered Bonds), by its acquisition of the VPS Covered Bonds, each VPS Covered Bondholder acknowledges, accepts and agrees to be bound by the exercise of, any Bail-in Power by the Swedish National Debt Office (*Riksgäldskontoret*) or any successor or replacement thereto and/or such other authority which has the ability to exercise any Bail-in Power in relation to the Issuer (the **Relevant Resolution Authority**) that may result in the write-down or cancellation of all, or a portion, of the principal amount of, or payments of interest or other distributions on, the VPS Covered Bonds and/or

the conversion of all, or a portion, of the principal amount of, or payments of interest or other distributions on, the VPS Covered Bonds into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the VPS Covered Bonds to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power. Each VPS Covered Bondholder further acknowledges and agrees that the rights of the VPS Covered Bondholders are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any Bail-in Power by the Relevant Resolution Authority.

For these purposes, a Bail-in Power means any statutory write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of the BRRD, the Resolution Act (*Lag (2015:1016) om resolution*) and/or the Precautionary Support Act (*Lag (2015:1017) om förebyggande statligt stöd till kreditinstitut*) as amended or replaced from time to time and any instruments, rules and standards created thereunder, pursuant to which liabilities of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified and/or converted into shares or other securities or obligations of the Issuer or any other person. BRRD means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014, as amended or replaced from time to time.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Bail-in Power or the date from which the Bail-in Power shall be effective with respect to the VPS Covered Bonds, the Issuer shall notify the VPS Covered Bondholders in accordance with Condition 9 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the VPS Covered Bonds described in this Condition.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the VPS Covered Bonds shall not constitute an Event of Default and these VPS Covered Bond Conditions shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the VPS Covered Bonds, subject to any modification of the amount of interest or other distributions payable to reflect the reduction of the principal amount, and any further modification of these VPS Covered Bond Conditions that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden.

Each VPS Covered Bondholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the VPS Covered Bonds.

## OVERVIEW OF THE SWEDISH LEGISLATION REGARDING COVERED BONDS

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*The following is a brief overview of certain features of the Swedish Act on Issuance of Covered Bonds as of the date of this Base Prospectus. The overview does not purport to be, and is not, a complete description of all aspects of the Swedish legislative and regulatory framework for covered bonds. In addition to the overview below, please also refer to the section “Risk Factors” above.*

### Introduction

The Swedish Act on Issuance of Covered Bonds entered into force on 1 July 2004 and was most recently amended in 2022. It enables Swedish banks and credit market undertakings (**Institutions**), which have been granted a specific licence by the SFSA, to issue full-recourse debt instruments secured by a pool of mortgage credits and/or public sector credits. Swedish covered bonds may take the form of bonds and other comparable debt instruments, such as commercial paper.

In the event of an Institution’s bankruptcy, holders of covered bonds (and certain eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the pool with those of the covered bonds) benefit from a priority right in the pool of assets consisting of eligible assets (see further Section “*Eligibility criteria for assets in the Cover Pool*” below) (the **Cover Pool**). The Swedish Act on Issuance of Covered Bonds also enables such holders (and derivative counterparties) to continue to receive timely payments following the Institution’s bankruptcy, subject to certain conditions being met.

### Swedish implementation of the New EU Covered Bond Legislation

The New EU Covered Bond Legislation (as defined in “*The EU covered bond framework and the Swedish Act on Issuance of Covered Bonds*” of the section “*Risk Factors*” above) came into effect on 7 January 2020 (with a maximum 30 month transposition period after the effective date). Among other things, the New EU Covered Bond Legislation lays down the conditions that covered bonds have to meet in order to be recognised under EU law, aiming to strengthen investor protection in the European Union by imposing specific supervisory duties. The New EU Covered Bond Legislation has been implemented by amendments to the Swedish Act on Issuance of Covered Bonds which entered into force on 8 July 2022.

For a covered bond that has been issued before 8 July 2022, the previous version of the Swedish Act on Issuance of Covered Bonds as in force until 8 July 2022 (the **Old Swedish Act on Issuance of Covered Bonds**) will, as a main principle, continue to apply during the remaining part of such covered bond’s maturity. For tap issues made after 8 July 2022, certain transitional provisions will apply.

In addition to the Swedish Act on Issuance of Covered Bonds, the SFSA has issued regulations and recommendations under the authority conferred on it by the Swedish Act on Issuance of Covered Bonds by issuing FFFS 2013:1 (*Finansinspektionens föreskrifter och allmänna råd om säkerställda obligationer*), with the most recently updated version being FFFS 2022:12 (the **SFSA Regulations**). The SFSA Regulations include, amongst other things, clarifications with respect to the independent inspector’s (*oberoende granskare*) tasks and reporting duties to the SFSA, and a requirement on Institutions to provide information to the SFSA (for example, Institutions are required under the SFSA Regulations to provide information about their valuation methods (*värderingsmetoder*)). The SFSA Regulations stipulate that the required information must be submitted to the SFSA four times per year, and be made available to the SFSA no later than 30 days after the respective balance sheet date (*balansdag*).

### Registration

Information in respect of all covered bonds, assets in the Cover Pool, relevant derivative contracts and received margin collateral for positions in derivative contracts must be entered into a special register (the **Register**), which is maintained by the Institution. The actual registration of the covered bonds and relevant derivative contracts in the Register is necessary to confer the priority right in the Cover Pool. Further, only assets entered into the Register form part of the Cover Pool. The Register must at all times show the nominal value of the covered bonds, the Cover Pool and the relevant derivative contracts. As a result, the Register requires regular updating, including, without limitation, due to changes in interest rates, interest periods, outstanding debt and the composition of the Cover Pool. The value of the underlying collateral securing mortgage credits in the Cover Pool, as well as proceeds from assets in the Cover Pool and derivative contracts, must also be entered into the Register.

The Cover Pool is dynamic in the sense that an Institution may supplement or substitute assets in the Cover Pool at any time.

### **Eligibility criteria for assets in the Cover Pool**

The Cover Pool may consist of certain mortgage credits, exposures to credit institutions and public exposures (*offentliga fordringar*). Mortgage credits, exposures to credit institutions and public exposures are defined in article 129.1 in the CRR, as amended, and must satisfy the requirements under Chapter 3, Sections 3-7 of the Swedish Act on Issuance of Covered Bonds (the **Eligible Assets**).

The Swedish Act on Issuance of Covered Bonds refers to and reflects the provisions on public exposures and mortgages set out in the CRR, and requires Institutions to meet the CRR's requirements regarding exposure limits towards credit institutions.

### **Loan-to-value ratios and certain other restrictions**

For mortgage credits, there is a maximum loan amount which may be included in the Cover Pool, depending on the value of the underlying collateral:

- (a) for residential collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 80 per cent. of the market value of the collateral; and
- (b) for commercial collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 60 per cent. of the market value of the collateral.

Commercial collateral may, however, be included in the Cover Pool even if the loan-to-value ratio exceeds 60 per cent., but does not exceed 70 per cent, provided the value of the Cover Pool exceeds the minimum level required (see "*Matching Requirements*" below), by at least 10 per cent. This applies also in relation to agricultural and forestry collateral and is in the Swedish Act on Issuance of Covered Bonds considered within either the category of residential collateral or that of commercial collateral, depending on the principal purpose of the facilities.

Should a loan exceed the relevant ratio, only the part of the loan that falls within the permitted limit may be included in the Cover Pool (a **Partly Eligible Loan**). The Swedish Act on Issuance of Covered Bonds does not explicitly regulate how proceeds in respect of a Partly Eligible Loan shall be distributed between the eligible and the non-eligible parts of the loan.

The most likely interpretation is that interest payments shall be allocated *pro rata* between the eligible and non-eligible parts of the loan and that amortisations shall be applied first towards the non-eligible part of the loan (absent enforcement of the security over the underlying collateral). However, proceeds from enforcement of the security should most likely be applied first towards the eligible part of the loan.

A similar situation arises if, for example, the same mortgage serves as first-ranking security for two (or more) loans granted by an Institution and only one of these loans is included in the Cover Pool. The Swedish Act on Issuance of Covered Bonds does not give clear guidance as to how proceeds shall be allocated between the two loans in case of the Institution's bankruptcy. The lack of guidance may give room for unsecured creditors of the Institution to argue that only a *pro rata* portion of such proceeds shall be allocated to the loan included in the Cover Pool.

The Swedish Act on Issuance of Covered Bonds restricts the overall proportion of loans provided against commercial collateral to 10 per cent. of an Institution's Cover Pool. This does not apply in relation to commercial collateral which is primarily used for agricultural or forestry purposes.

Institutions are required to regularly monitor the market value of the mortgage assets that serve as collateral for loans included in the Cover Pool. If the market value of a mortgage asset declines significantly, then only the part of the loan that falls within the permitted loan-to-value ratio is eligible for inclusion in the Cover Pool and is subject to the priority right described below. The Swedish Act on Issuance of Covered Bonds does not define when a decline would be considered significant but it is generally believed that a decline of 15 per cent. or more would satisfy this requirement. However, a decline in the market value following an Institution's bankruptcy would not result in a reduction of the assets to which covered bondholders (and relevant derivative counterparties) have a priority right, but may result in the Cover Pool ceasing to meet the matching requirements.

### **Matching Requirements**

The Swedish Act on Issuance of Covered Bonds prescribes that an Institution must comply with certain matching requirements, which, *inter alia*, require that the nominal value of the assets registered to the Cover Pool exceeds the nominal value of liabilities which relate to covered bonds issued from time to time by at least two per cent. The calculation shall be made on the basis of current book values and shall, if relevant, consider applicable currency exchange rates. In order to comply with these requirements, the Institution may enter into and shall take into account the effect of relevant derivative contracts. The present value of the derivative contracts shall be

included when determining whether the present value of the Cover Pool exceeds the present value of the liabilities relating to covered bonds. The Institution is dependent on the availability of derivative counterparties with sufficient credit rating and also on such counterparties fulfilling their contractual obligations.

The Cover Pool must also be sufficiently sizeable to cover the costs of administration and liquidation of covered bonds, in case of bankruptcy. These costs may be defined by application of a standard amount (*schablonbelopp*).

Furthermore, an Institution must compose the Cover Pool in such a way as to ensure a sound balance between the covered bonds and the assets in the Cover Pool in terms of currency, interest rates and maturity profile. Such sound balance is deemed to exist when the present value of the Cover Pool at all times exceeds the present value of the liabilities relating to the covered bonds by at least two per cent. The present value of derivative contracts shall be taken into account for the purposes of such calculation. The calculations of present value shall withstand certain stress tests (changes in interest rates and/or currency exchange rates).

The payment flows relating to the assets in the Cover Pool, derivative contracts and covered bonds shall be such that an Institution is at all times able to meet its payment obligations towards covered bondholders and relevant derivative counterparties.

Non-performing assets in the Cover Pool which are more than 60 days overdue must be disregarded for the purposes of the matching tests.

### **Liquidity buffer**

The Swedish Act on Issuance of Covered Bonds includes provisions concerning a specific liquidity buffer. It should cover the maximum cumulative net liquid outflow from an Institution over the next 180 days. The liquidity buffer shall consist of:

- (a) level 1 or level 2A assets as defined in Article 3 of the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (the **Liquidity Coverage Regulation**); or
- (b) exposures to credit institutions which consist of short-term deposits with an initial maturity not exceeding 100 days and which meet the requirements for credit quality step 1 or 2 of Article 129.1c of the CRR.

If there are special reasons, the SFSA may temporarily approve that the liquidity buffer consists of exposures specified in (b) above which meet the requirements for credit quality step 3 of Article 129.1c of the CRR, or level 2B assets as defined in the Liquidity Coverage Regulation. Such special reasons could be significant concentration problems, as referred to in Article 129.1a.c in the CRR.

### **Maturity extensions**

Pursuant to the Swedish Act on Issuance of Covered Bonds, an Institution may choose to include conditions in the terms of a covered bond contract stating that repayment can be postponed in certain circumstances, but the Institution is only allowed to extend the maturity of such covered bond with the approval of the SFSA. Before the approval is given, the Swedish Central Bank (*Riksbanken*) and the Swedish National Debt Office (*Riksgäldskontoret*) shall be consulted by the SFSA.

Approval may be given by the SFSA if:

- (a) it is likely that an extended maturity can prevent the risk of the Institution's insolvency (*obestånd (insolvens)*); and
- (b) the terms and conditions of the covered bonds stipulate: (i) that the maturity may only be extended after the SFSA's approval, (ii) the prerequisites for SFSA approval according to (a), and (iii) the extended maturity date, as applicable after the SFSA's approval.

For covered bonds satisfying the requirements for maturity extension, the starting-point for calculating the liquidity buffer (see "*Liquidity buffer*" above for further information regarding the liquidity buffer) is the principal amount of the covered bond(s), pursuant to the extended maturity date stipulated in the terms of the covered bonds.

### **Supervision by the SFSA and the independent inspector**

The SFSA monitors that an Institution complies with the Swedish Act on Issuance of Covered Bonds and other provisions of the legislative and regulatory framework which regulates the business of the Institution. In addition, the SFSA appoints an independent inspector for each Institution that issues covered bonds.

The independent inspector is responsible for monitoring the Register to assess whether or not it is being maintained correctly and in compliance with the Swedish Act on Issuance of Covered Bonds and the SFSA Regulations. In particular, the independent inspector is required to verify that (i) covered bonds and relevant derivative contracts are registered in the Register, (ii) only Eligible Assets are included in the Cover Pool and registered in the Register, (iii) the valuations of the underlying collateral for loans in the Cover Pool are in accordance with the Swedish Act on Issuance of Covered Bonds and the SFSA Regulations, (iv) mortgage loans, the underlying collateral of which has decreased significantly in value are, for the purpose of the matching requirements, deducted from the Cover Pool to the extent necessary to comply with the relevant loan-to-value ratio and (v) the matching requirements are complied with.

The independent inspector is entitled to request information from the Institution, and to conduct site visits, and is required to report regularly and at least once a year to the SFSA. The Swedish Act on Issuance of Covered Bonds does not provide for any change to the independent inspector's remit upon the bankruptcy of an Institution.

Furthermore, the SFSA's power to revoke an Institution's authorisation for the issuance of covered bonds include the situation of the Institution acquiring such authorisation by making false statements or by taking other irregular means. If deemed sufficient, a warning may also be issued as an alternative to revocation.

As a complement to the provisions on administrative sanctions for Institutions and other credit institutions, additional provisions on sanctions against natural persons are included in the Swedish Banking and Financing Business Act (*lag (2004:297) om bank- och finansieringsrörelse*), in relation to breaches of certain provisions of the Swedish Act on Issuance of Covered Bonds. Benefit of a priority right in the Cover Pool.

### **Information to investors**

The Swedish Act on Issuance of Covered Bonds sets out a requirement on Institutions issuing covered bonds in relation to provision of information to investors. An Institution should provide the information needed for an investor to be able to assess the covered bonds and the risks associated with investing in them. If the terms and conditions of the covered bonds include maturity extensions, Institutions must provide specific information about:

- (a) what circumstances can trigger an extended maturity;
- (b) whether an extended maturity is affected by the Institution being placed in bankruptcy or resolution; and
- (c) the requirement that the SFSA must approve the extended maturity.

The Swedish government, or a designated authority is allowed to prescribe: (i) what information that Institutions need to make available for investors, in order for investors to be able to assess the covered bonds and the risks associated with investing in them, and (ii) when and in what way such information is to be made available.

### **Benefit of a priority right in the Cover Pool**

Pursuant to the Swedish Act on Issuance of Covered Bonds and the Swedish Rights of Priority Act (*förmånsrättslagen (1970:979)*), covered bondholders benefit from a priority right in the Cover Pool should the Institution be declared bankrupt (*försatt i konkurs*). The same priority is awarded to the Institution's eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the Cover Pool with those of the covered bonds. Such derivative counterparties and the covered bondholders rank *pari passu* with joint seniority in relation to the Cover Pool.

By virtue of the aforementioned priority, covered bondholders and relevant derivative counterparties rank ahead of unsecured creditors and all other creditors of the Institution in respect of assets in the Cover Pool (except the administrator-in-bankruptcy as regards fees for their administration of assets in the Cover Pool and costs for the administration). The priority claim also covers cash received by an Institution and deriving from the Cover Pool or relevant derivative contracts, provided that certain administrative procedures have been complied with.

### **Administration of the Cover Pool in the event of bankruptcy**

Should an Institution be declared bankrupt, at least one administrator-in-bankruptcy would be appointed by the bankruptcy court and one administrator-in-bankruptcy would be appointed by the SFSA. The administrators-in-bankruptcy would take over the administration of the bankruptcy estate, including the Cover Pool.

Provided that (and as long as) the Cover Pool meets the requirements of the Swedish Act on Issuance of Covered Bonds (including the matching requirements), the assets in the Cover Pool, the covered bonds and any relevant derivative contracts that have been entered into the Register are required to be maintained as a unit and kept segregated from other assets and liabilities of the bankruptcy estate of the Institution. The administrators-in-bankruptcy are in such case required to procure the continued timely service of payments due under the covered

bonds and any relevant derivative contracts. Consequently, the bankruptcy would not as such result in early repayment or suspension of payments to covered bondholders or to derivative counterparties, so long as the Cover Pool continues to meet the requirements of the Swedish Act on Issuance of Covered Bonds.

Upon an Institution's bankruptcy, neither the Institution nor its bankruptcy estate would have the ability to issue further covered bonds. However, the Swedish Act on Issuance of Covered Bonds gives the administrators-in-bankruptcy a broad mandate to enter into loan, derivative, repo and other transactions on behalf of the bankruptcy estate with a view to maintaining matching cash flows, currencies, interest rates and interest periods between assets in the Cover Pool, covered bonds and derivative contracts. Counterparties in such transactions will rank senior to covered bondholders and derivative counterparties. The administrators-in-bankruptcy may also raise liquidity by, for example, selling assets in the Cover Pool in the market.

If, however, the Cover Pool ceases to meet the requirements of the Swedish Act on Issuance of Covered Bonds, and the deviations are not just temporary and minor, the Cover Pool may no longer be maintained as a unit and the continuous payment under the terms and conditions of the covered bonds and derivative contracts will cease. The covered bondholders and derivative counterparties would in such case instead benefit from a priority right in the proceeds of a sale of the assets in the Cover Pool in accordance with general bankruptcy rules. This could result in the covered bondholders receiving payment according to a schedule that is different from that contemplated by the terms and conditions of the covered bonds (with accelerations as well as delays) or that the covered bondholders are not paid in full. However, the covered bondholders and derivative counterparties would retain the benefit of the right of priority in the assets comprising the Cover Pool. Any residual claims of the covered bondholders and derivative counterparties remain valid claims against the Institution, but will rank *pari passu* with other unsecured and unsubordinated creditors of the Institution.



## USE OF PROCEEDS

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Unless otherwise specified in the applicable Final Terms and subject to the below, the net proceeds from each issue of Notes and Covered Bonds will be applied by the Issuer for its general corporate purposes.

### Green Bonds

The Issuer may issue Notes or Covered Bonds as Green Bonds under this Programme. If, in respect of any issue of Notes or Covered Bonds, the net proceeds are to be applied by the Issuer towards the origination of loans to fund or re-finance certain defined projects such as financing or re-financing investments related to sustainable forestry, renewable energy and green buildings, such purposes will be more particularly specified under "*Reasons for the Offer and Estimated Net Proceeds*" in the applicable Final Terms as "*Green Bonds*". The relevant projects to be funded or re-financed will be described in the Issuer's Green Bond Framework available on the Issuer's website [www.landshypotek.se](http://www.landshypotek.se), and as further described below.

### Use of proceeds

Green Bonds will, initially, largely refinance existing Green Assets. However, the Issuer makes efforts to increase its lending to Green Assets, why the proportion of Green Bond net proceeds allocated to loans disbursed less than 12 months prior to the issuance of a Green Bond (new Green Asset) is likely to increase. The Issuer will, in its annual Green Bond reporting, disclose the proportion of Green Bond net proceeds financing new Green Assets.

Green Assets means loans provided by the Issuer, financing or refinancing investments related to Sustainable Forestry, Renewable Energy and Green Buildings as defined under Green Asset criteria below.

Green Bond net proceeds will not be allocated or linked, inter alia, to fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco. The Issuer does not provide any loans to either of the above.

Green Assets have to meet the eligibility criteria at the time they are marked as Green Assets. If the Issuer decides to enhance eligibility criteria in an updated Green Bond framework, these new criteria are not automatically applied retroactively to the existing Green Assets already financed with a Green Bond, as long as the Green Bond is outstanding.

### Green Asset Criteria

The criteria for each individual asset are set based on the UN Sustainable Development Goals (SDG), which were adopted by the United Nations general assembly on 25 September 2015 and are categorized depending on its key components – *Sustainable Forestry*, *Renewable Energy* and *Green Buildings*. Each category and asset criteria are described below.

#### *Sustainable Forestry*

Sweden's forest policy places equal emphasis on two main objectives: production goals and environmental goals. All Swedish forestry needs to show compliance with the Swedish Forestry Act, and the Swedish Forestry Agency (*Skogsstyrelsen*) is responsible for enforcing compliance with the law and is thus the national governmental authority in charge of forest-related issues. The law states that the forest is a renewable resource that is to be managed sustainably yielding good revenue. At the same time the owner has an obligation to take consideration to nature, cultural heritage and other interests.

#### *Criteria Sustainable Forestry*

Loans financing or refinancing an environmentally responsible, economically viable and socially beneficial forestry.

- Loans financing or refinancing the acquisition and the refinancing of forest land.
- Loans financing or refinancing investments in sustainable forest management to maintain a good rate of return, while maintaining important natural values.

#### *Green Asset Conditions*

In order to fulfil the Issuer's green asset conditions, either (a) or (b) needs to be fulfilled.

(a)

- (i) Compliance with the Swedish Forestry Act;
- (ii) an up-to-date green forest management plan, including nature conservation action plans for at least five per cent of productive area (section nature protection (NO) and habitat management (NS)). A green forest management plan provides a detailed inventory of the forest land holding and is an important tool for the forest owner to manage the forest in an active and sustainable way; and
- (iii) a minimum target of five per cent deciduous tree noted in the green forest management plan. Deciduous trees are beneficial to many species and make the forest more resistant in the event of storms.

(together (i), (ii) and (iii) fulfill the same criteria and condition as a PEFC certification), or

- (b) A certification through the Forest Stewardship Council (FSC) and/or the Programme for the Endorsement of Forest Certified (PEFC) which means that criteria (i), (ii) and (iii) above are fulfilled.

Besides fulfilling (a) or (b), all forest land holdings must be insured, ensuring monetary value and adoption measures such as forest fire proliferation prevention, storms and extreme precipitation.

### **Renewable Energy**

Loans financing or refinancing the development, the construction, the acquisition and the installation of wind and solar power production units in Sweden.

### **Green Buildings**

#### **Energy Efficient Buildings**

Loans financing or refinancing the development, acquisition or otherwise completed building that have, or if under construction is expected to receive, an Energy Performance Certificate (EPC) with energy class A or B, meaning at least 25 per cent less total energy use (kWh) per heated square meter (Atemp) and year than required by the Swedish National Building regulations (*BBR – Boverkets Byggregler*).

#### **Energy Efficient Renovation**

Loans financing or refinancing substantial retrofit or renovation of existing buildings, either on-going or completed, leading to reduced energy use per year of at least 30 per cent.

### ***Process for Green Asset Evaluation and Selection***

As all activities of the Issuer, Green Assets are evaluated through the general corporate governance principles, policies, laws and regulations.

The process for Green Asset evaluation and selection is a two-step process:

- (a) Landshypotek Account Managers record all the necessary data of every single loan. A list of loans disclosing amount financed and relevant data to ensure compliance with its related Green Asset Criteria is extracted; and
- (b) the list of suggested loans is presented to the Green Bond Committee, who solely makes the decision to finance Green Assets, in line with the Green Asset Criteria definition, with net proceeds from any issuance of Green Bonds.

A decision to allocate net proceeds will require a consensus decision by the Green Bond committee. The final list and the decision is documented and filed.

The Green Bond committee consists of: Chief Executive Officer, Chief Financial Officer, Chief Sustainability Officer, Forest Expert and Head of Corporate Banking.

For the avoidance of doubt, the Green Bond Committee holds the right to exclude any Green Asset already funded by Green Bond net proceeds. If the Green Asset is redeemed early, or for other reasons loses its eligibility, funds would then follow the procedure under Management of Proceeds until reallocated to other Green Assets.

### ***Annual Review***

The Issuer's independent and internal risk management department is appointed to, at least annually, control and review that the allocations of Green Bond net proceeds are made in accordance with the Green Bond Framework.

### Management of Proceeds

An amount equal to the Green Bond net proceeds credits a separate account and will only support the Issuer's financing of Green Assets, or to repay a Green Bond. The proceeds in such account are kept separated from other accounts to ensure and enable separate monitoring and tracking of the Green Bonds net proceeds.

In the event the separate account has a positive balance, the Issuer will have the right to either:

- (a) temporary deposit such positive balance with financial institutions; or
- (b) temporary invest in:
  - (i) debt securities issued by the Swedish government and/or Swedish municipalities;
  - (ii) Green Bonds; or
  - (iii) Covered Bonds.

As long as Green Bonds are outstanding and the separate account has a positive balance, such positive account balance will in relation to amounts allocated to Green Assets, be adjusted at least every fiscal quarter. The Issuer will, until full allocation of such Green Bond net proceeds has taken place, in its reporting disclose the amount equal to the Green Bond net proceeds not yet allocated to Green Assets.

### Reporting

The Issuer will annually, and until the maturity of Green Bonds issued, provide at least the following information to investors on its website [www.landshypotek.se](http://www.landshypotek.se).

- (a) A summary of Green Bond developments.
- (b) The outstanding amounts of issued green covered bonds, green unsubordinated notes and green subordinated notes.
- (c) The total proportion of Green Bond net proceeds used to finance new Green Assets (loans disbursed less than 12 months prior to the issuance of a Green Bond) and the proportion of Green Bond net proceeds used to refinance existing assets.
- (d) The balance of the separate account (including any, temporary investments and Green Bond repayments).
- (e) The total aggregated proportion of Green Bond net proceeds used per Green Asset category.
- (f) A summary of the findings from the independent and internal risk management review of Green Asset eligibility performed under the Green Asset evaluation and selection process.
- (g) Green Asset reporting (*Sustainable Forestry, Renewable Energy and Green Buildings*).

### External Review

The Issuer has obtained an independent second opinion from CICERO (Center for International Climate and Environmental Research – Oslo) on the Green Bond Framework and policies for considering the environmental impacts of their projects. Based on the assessment of the project types, policies, goals and reporting standards, the Green Bond Framework has received a Dark Green shading by CICERO. The second part opinion is dated 9 April 2018, and is publicly available at The Issuer's website ([www.landshypotek.se](http://www.landshypotek.se).)

## INFORMATION RELATING TO THE ISSUER

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### Introduction

The Issuer, Landshypotek Bank AB (publ), was incorporated in Stockholm on 3 November 1994 under the laws of Sweden with the business name Landshypotek AB (publ). The Issuer is registered with the Swedish Companies Registration Office (*Bolagsverket*). The incorporation of the Issuer was part of the re-organisation of the General Mortgage Bank (*Sveriges Allmänna Hypoteksbank*) (the **GMB**), which was formed in 1861 as part of a government policy to increase the supply of capital to the agricultural sector, and the county mortgage bank associations (the **mortgage associations**), which provided funding for agricultural, forestry and horticultural purposes and whose history goes back to 1836. The mortgage associations were re-organised and became an economic co-operative on 1 January 1995 under the name Landshypotek Ekonomisk Förening (the **Association**). At the same time, the business activities formerly carried out by GMB and the mortgage associations were transferred to the Issuer.

### Organisational Structure

The Issuer is a wholly-owned subsidiary to the Association, which is an economic co-operative whose members are the Issuer's customers in the farming and forestry sector. As of the end of 2023, the Association had approximately 34,000 members. The ownership structure is expected to entail a loyal ownership and customer group with a strong incentive in the performance of the Issuer. All business operations are conducted in the Issuer. The Issuer is dependent on the Association since it is the sole shareholder of the Issuer. As of the date of this Base Prospectus, the Issuer has no subsidiaries.

The Issuer's Swedish organisation number is 556500-2762 and its legal entity identifier (LEI) code is 5493004WUGGU2BQI7F14. The Issuer's registered office is situated in the municipality of Stockholm, Sweden and the registered postal address of the Issuer is Box 14092, 104 41 Stockholm, the telephone number is +46 8 45 90 400. The Issuer's website is <https://www.landshypotek.se/>. Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

The Issuer is as at the date of this Base Prospectus one of the ten largest banks in Sweden in relation to lending volume, and it is categorised as a systemically important institution based on its importance for the financing of agriculture and forestry.

### Relevant Legislation

The Issuer is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (aktiebolagslagen (2005:551)). In addition, the Issuer is a regulated banking company under the Swedish Act on Banking and Financing Activities (*Lag (2004: 297) om bank- och finansieringsrörelse*) and is subject to the supervision of the SFSA. The Issuer has been granted a licence by the SFSA to issue covered bonds in accordance with the Swedish Act on Issuance of Covered Bonds (*Lag (2003:1223) om utgivning av säkerställda obligationer*). In addition, the Swedish Supervision of Credit and Investment Institution Act (*Lag (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*) and the Swedish Act on Capital Buffers (*Lag (2014:966) om kapitalbuffertar*) set forth certain requirements concerning capital adequacy which are based on the Bank for International Settlement's regulations and European Union capital requirements, including the CRD IV as amended by CRD V.

The Issuer has been assigned the credit ratings as set out below from Fitch and Standard & Poor. Each of Fitch and Standard & Poor is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the EU 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.

	<b>Fitch</b>	<b>Standard &amp; Poor</b>
Short term	F1	A-1
Long term	A	A

The following table sets out the possible long-term ratings assigned by Standard & Poor and Fitch.

Standard & Poor'	Fitch
AAA	AAA
AA+	AA+
AA	AA
AA-	AA-
A+	A+
A	A
A-	A-
BBB+	BBB+
BBB	BBB
BBB-	BBB-
BB+	BB+
BB	BB
BB-	BB-
B+	B+
B	B
B-	B-
CCC+	CCC+
CCC	CCC
CCC-	CCC-
RD	RD
SD	
D	D

## Activities

The Issuer is specialised in offering financial services to Swedish agriculture and forestry with real estate property as collateral. The Issuer's core business is to offer mortgage loans to customers in the farming and forestry sector, as well as to customers living on farms. The lending may also be secured by other collateral than real estate property, such as a personal guarantee, floating charge or EU-support (EU loans). In 2017, the Issuer launched an offering of mortgage loans to homeowners in Sweden secured with other real estate property than agricultural or forestry assets. Since 2014, the Issuer has also offered saving products through a digital service to the general public in Sweden.

The Issuer mainly uses the capital market as its source of funding and achieves the desired flexibility by offering a variety of borrowing instruments that attract different types of investors. The main source of funding is issuing of covered bonds.

The Issuer has a number of business partners that act as distributors for the Issuer's products.

Sustainability is an important and integrated part of the Issuer's business strategy, as evident by the Issuer being an issuer of green bonds with dedicated use of proceeds since 2018.

## Accounting principles

Unless stated otherwise, the financial information relating to 2023 in this section "Information relating to the Issuer" has been extracted without adjustment from the Issuer's 2023 annual report, which is the most recently published annual report of the Issuer.

The Issuer has not published consolidated financial statements since the financial year 2018 ended, following the divestments of its wholly-owned dormant subsidiaries. Hence, the accounting principles relating to consolidated financial statements are inapplicable for the financial years following 2018. The accounting principles that remain applicable will continue to be applied, as described below and in the relevant financial statements, from and including, the financial year 2019 onwards. The consolidated financial statements prior to and including 2018 were prepared in accordance with the International Financial Reporting Standards (**IFRS**) and interpretations of the above as published by the International Financial Reporting Interpretations Committee (**IFRIC**) as adopted by the European Union. Furthermore, the SFSA's Regulations and General Guidelines for Annual Reports in Credit Institutions and Securities Companies (*Föreskrifter och allmänna råd (FFFS 2008:25) om årsredovisning i kreditinstitut och värdepappersbolag* (including amendments)), the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (*Lag (1995:1559) om årsredovisning i kreditinstitut och värdepappersbolag (ÅRKLR)*) and the recommendations of the Swedish Financial Reporting Board, RFR 1, Supplementary Accounting Rules for Groups were also applied.

The Issuer applies statutory IFRS, which means that the legal entity's financial statements must apply the IFRS as a whole and the statements adopted by the European Union, in so far as this is possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act after taking into account the relationship between accounting and taxation. Permissible exceptions and supplements to IFRS are stated in the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities, and ÅRKLR as well as the SFSA's Regulations and General Guidelines for Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25).

### **Recognition of accrued interest**

From 2021, accrued interest is recognised under the respective balance-sheet items. Previously, accrued interest was recognised under prepaid expenses and accrued income, and accrued expenses and prepaid income. The comparative figures for 2022 have been restated in the Issuer's 2023 annual report.

### **Liquidity**

The Issuer has a substantial liquidity portfolio of interest-bearing securities, valued at SEK 11,890 million as of 31 December 2023 (compared to SEK 11,925 million as of 31 December 2022). The Issuer's liquidity portfolio comprises liquid, interest-bearing securities, primarily Swedish covered bonds with the highest credit rating and bonds issued by Swedish municipalities. As of 31 December 2023, the liquidity portfolio was 1.7 times larger than the refinancing requirements for the next six months. The ratio is affected by the allocation of maturing debt for longer than six months and can, therefore, change between measurement periods.

### **Lending**

As of 31 December 2023, the Issuer's lending to the public amounted to SEK 104,751 million (compared to SEK 105,647 million as of 31 December 2022). All lending is domestic and made in Swedish kronor.

### **Credit losses and provisions**

As of 31 December 2023, the Issuer's net credit losses totalled an amount of SEK 5 million (compared to SEK 4 million as of 31 December 2022) of which net credit losses for non-credit-impaired assets had a positive earnings impact of SEK 1 million and credit-impaired assets had a positive earnings impact of SEK 4 million.

The table below shows the loan loss level as a percentage for the Issuer at the end of each year for each of the years 2016 to 2023.

<i>Years ended 31 December</i>	<i>Loan loss level</i>
2016	0.02 per cent
2017	0.02 per cent
2018	0.01 per cent
2019*	-
2020*	-
2021*	-
2022*	-
2023*	-

\* An outcome is only presented in the case of a negative earnings impact.

## **Savings**

The total deposits from the public have continued to increase and amounted to SEK 29,080 million as of 31 December 2023 (compared to SEK 23,496 million 31 December 2022).

## **Funding**

### *Short-term funding*

On a regular basis, the Issuer is active in the repo and deposit markets for short term liquidity needs. The Issuer also has a Swedish commercial paper programme.

### *Long-term funding*

The Issuer issues its long-term non-covered debt through a Nordic Medium Term Note and Covered Bond programme and may also issue on a stand-alone basis or under additional programmes from time to time. The Issuer's covered bond funding is made either through the programme and may also be made on a stand-alone basis or under additional programmes from time to time.

## **Competitors**

The Issuer's main competitors are Swedish savings banks and commercial banks, which have shown an increasing interest in expanding their agricultural and forestry customer bases.

## **Recent Developments**

Increased digitalisation has facilitated clients' bank errands and their contact with the Issuer. Since autumn 2020, loan terms can be changed via the online bank. Documents are increasingly being made available on the online bank, for example, annual statements and changes in general terms and conditions. The new website was launched in December 2020 and has been developed based on the need of users to quickly and easily apply for loans, to save, retrieve information, and obtain advice as well as contact the bank. The Issuer is planning to expand its product offering to also include lending to owners of condominiums (*bostadsrätter*) during 2024.

Increased visibility through, *inter alia*, good communication collaborations and digital marketing has led to more homeowners becoming aware of the Issuer. The collaboration with Avanza has been successful since it launched in 2021. In 2023, the Issuer has established a collaboration with MedMera Bank.

Following regulatory changes pertaining to banks' IRB approaches for calculating capital requirements, the authorities have required banks to make certain adjustments. During 2021, the Issuer has submitted an application for a change in methodology under the permit for an internal ratings-based approach (IRB) to Sweden's financial supervisory authority (*Finansinspektionen*). In April 2023, the application was approved and since the second quarter of 2023, the Issuer's IRB models have been recalibrated. As a result, own funds increased somewhat and risk weights, and thereby, regulatory capital requirements decreased. The change in methodology will *inter alia* entail that future capital requirements will be based on current default rates.

### *Loans to the public*

The Issuer has conducted continuous stress tests, and performed analyses and controls of groups of customers with shared attributes to ensure it maintains good credit quality. The Issuer continues to monitor GDP and property price developments, which are influencing factors in the model for credit loss provisions.

### *Funding*

The financial markets functions well for all types of bonds that the issuers issue. Interest rates show high volatility, but credit spreads have stabilised, which creates a satisfactory market for funding. As at the date of this Base Prospectus, the issuer's funding possibilities are considered satisfying.

## BOARD OF DIRECTORS AND MANAGEMENT

The members of the Board of Directors and Executive Management, whose business addresses are at the registered address of the Issuer, are as of the date of this Base Prospectus:

<b>Board of Directors</b>	<b>Position</b>	<b>Other main principal activities</b>
Ann Krumlinde Hyléen	Chairman of the Board	Chairman of Consolid Equity, Consolid Equity E, Consolid Equity Investment, Skabersjö Gods and Moon Bay. Director of Väderstad, NCG Group, Perfect Climate Holding Europe, Moon Bay and Re&Go.
Anna-Karin Celsing	Board Member	Director of Lannebo Fonder, KLOB i Stockholm, Peas Industries, OX2, Stiftelsen Beckmans Designhögskola, Tim Bergling Foundations, Stiftelsen Orienteatern, Castellum, Svensk Husproduktion and Volati.
Johan Trolle-Löwen	Board Member	Chairman of Kopparfors Skogar. Director of Bergvik Skog Väst and Hargs Bruk. CEO of Sjösa Förvaltning and Limmersvik.
Ole Laurits Lønnum	Board Member	CEO of Landkreditt and Landkreditt Bank. Director of Landkreditt Forsikring, Landkreditt Forvaltning, Landkreditt Boligkreditt and Landkreditt Eiendom.
Lars-Johan Merin	Board Member	Chairman of Fellingsbro Lager & Fastigheter and Winstaff. Director of Oppegården and Spansam Växt.
Johan Nordenfalk	Board Member	Chairman of Storsala and Finture. Chairman and CEO of Blekhems Egendom. Director of Skabersjö Gods.
Lars Sjögren	Board Member	Chairman of Sundfrakt. Director of Lola Consulting.
Anders Nilsson	Board Member, Employee Representative	-
Hans Broberg	Board Member, Employee Representative	-
<b>Senior Management</b>	<b>Position</b>	
Per Lindblad	Chief Executive Officer	
Catharina Åbjörnsson Lindgren	Chief Commercial Officer Mortgages & Savings	
Martin Kihlberg	General Counsel and Chief Sustainability Officer	
Mats Bergström	Chief Risk Officer	
Tomas Uddin	Head of Strategic Communication	
Johan Ericson	Chief Financial Officer	



Stefan Malmström                      Chief Commercial Officer Farming & Forestry

Hanna Neidenmark                      Chief Business Development Officer

The Issuer has its registered address and postal address at P.O. Box 14092, SE-104 41 Stockholm, Sweden. The visiting address is Regeringsgatan 48, SE-111 56 Stockholm, Sweden and the telephone number is +46 8 459 04 00.

There are no potential conflicts of interest between the duties to the Issuer of the persons listed under the headings "*Board of Directors*" and "*Senior Management*" above and their private interests or other duties.

### **Auditors**

Öhrlings PricewaterhouseCoopers AB, represented by Catarina Ericsson (Authorised Public Accountant) and Hampus Engzell (Authorised Public Accountant).

## TAXATION

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### Swedish Taxation

*The following overview outlines certain Swedish tax consequences of the acquisition, ownership and disposal of ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds. The overview is based on the laws of Sweden as currently in effect and is intended to provide general information only. The overview is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds and is neither intended to be nor should be construed as legal or tax advice. In particular, the overview does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies. Specific tax consequences may also apply when ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds are held by partnerships and as trading assets in a business. Such tax consequences are not described below. Neither does the overview cover ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds which are placed on an investment savings account (investeringssparkonto). Investors should consult their professional tax advisors regarding the Swedish and foreign tax consequences (including the applicability and effect of tax treaties) of acquiring, owning and disposing of ES Notes, ES Covered Bonds, VPS Notes and VPS Covered Bonds in their particular situation.*

#### *Non-resident ES Noteholders, ES Covered Bondholders, VPS Noteholders or VPS Covered Bondholders*

As used herein, a non-resident holder means an ES Noteholder, ES Covered Bondholder, VPS Noteholder or VPS Covered Bondholder who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds, or (b) an entity not organised under the laws of Sweden.

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident ES Noteholder, ES Covered Bondholder, VPS Noteholder or VPS Covered Bondholder should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a non-resident ES Noteholder, ES Covered Bondholder, VPS Noteholder or VPS Covered Bondholder.

Individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption. Taxation may, however, be limited by an applicable tax treaty.

#### *Resident ES Noteholders, ES Covered Bondholders, VPS Noteholders or VPS Covered Bondholders*

As used herein, a resident holder means an ES Noteholder, ES Covered Bondholder, VPS Noteholder or VPS Covered Bondholder who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden.

Generally, for Swedish corporations and individuals (and estates of deceased individuals) that are resident ES Noteholders, ES Covered Bondholders, VPS Noteholders or VPS Covered Bondholders, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds) will be taxable. A capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction for sales expenses, and the acquisition cost for tax purposes. The acquisition cost for all ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds of the same kind is determined according to the "average method" (*genomsnittsmetoden*).

An individual's capital income such as capital gains and interest is subject to a 30 per cent tax rate. Limited liability companies and other legal entities are taxed on all income, including capital gains and interest, as business income at the tax rate of 20.6 per cent.

Losses on listed ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds (*marknadsnoterade fordringsrätter*) should generally be fully deductible for limited liability companies and for individuals in the capital income category. Certain deduction limitations may apply for individuals and limited liability companies with respect to losses on financial instruments deemed share equivalents (*delägarätter*) for Swedish tax purposes, not described further herein.

Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a resident ES Noteholder, ES Covered Bondholder, VPS Noteholder or VPS Covered Bondholder. However, if amounts that are considered to be interest for Swedish tax purposes are paid to a private individual (or an estate of a deceased individual) that is a resident ES Noteholder, ES Covered Bondholder, VPS Noteholder or VPS Covered Bondholder, Swedish preliminary taxes (*preliminärskatt*) are normally withheld at a rate of 30 per cent.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions, including Sweden, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as the ES Notes, the ES Covered Bonds, the VPS Notes and the VPS Covered Bonds, including whether withholdings would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the ES Notes, the ES Covered Bonds, the VPS Notes and the VPS Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the ES Notes, the ES Covered Bonds, the VPS Notes and the VPS Covered Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and ES Notes or ES Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds.

**FATCA is particularly complex. The above description is based in part on regulations, official guidance and the U.S.-Sweden IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds.**

## SUBSCRIPTION AND SALE

The Initial Dealers have in a programme agreement dated 15 June 2023 (as supplemented and/or amended and/or restated from time to time, the **Programme Agreement**) agreed with the Issuer a basis upon which it or any additional Dealers may from time to time agree to purchase ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the ES Notes*", "*Terms and Conditions of the VPS Notes*", "*Form of the Covered Bonds*", "*Terms and Conditions of the VPS Notes*", "*Terms and Conditions of the ES Covered Bonds*" and "*Terms and Conditions of the VPS Covered Bonds*". In the Programme Agreement, the Issuer has agreed to reimburse the Initial Dealers for certain of its expenses in connection with the update of the Programme and has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement also makes provision for the resignation or termination of appointment of the Initial Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds.

### United States

The Notes or Covered Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes or Covered Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder.

### Prohibition of Sales to European Economic Area Retail Investors

Unless the applicable Final Terms specifies "*Prohibition of Sales to European Economic Area Retail Investors*" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the EU Prospectus Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds.

If the applicable Final Terms specifies "*Prohibition of Sales to European Economic Area Retail Investors*" as "Not Applicable", in relation to each Member State of the European Economic Area, the Initial Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds which are the subject of the offering contemplated in this Base Prospectus as completed by the applicable Final Terms, in relation thereto to the public in that Member State, except that it may make an offer of such ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation; or

- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

*provided that* no such offer of ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a Base Prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a Base Prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression **an offer of ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds to the public** in relation to any ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds and the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes or Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Notes or Covered Bonds.

The Initial Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Sweden**

The Initial Dealers have agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy

ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds or distribute any draft or definitive document in relation to any such offer, invitation or sale, except in circumstances where such actions will not result in a requirement to prepare a Base Prospectus pursuant to the provisions of the EU Prospectus Regulation.

### **Norway**

The Initial Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the Issuer has confirmed in writing to each Dealer that the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds (if required) and the Base Prospectus have been approved by the Financial Supervisory Authority of Norway, it has not, directly or indirectly offered or sold and will not, directly or indirectly, offer or sell any ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds in Norway or to residents of Norway, except (i) to "qualified investors" as defined in the EU Prospectus Regulation Article 2 (e), cf. Article 1 no. 4 (a), as incorporated into Norwegian law pursuant to Section 7-1 of the Norwegian Securities Trading Act of 29 June 2007 no. 75. (the Securities Trading Act), or (ii) in respect of an offer of ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds addressed to investors subject to a minimum purchase of ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds for a total consideration of not less than €100,000 per investor cf. the EU Prospectus Regulation Article 1 no. 4 (c) as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act, or (iii) to, when aggregated with such offer or sale of any ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds in the same offering by any other Dealer, fewer than 150 natural or legal persons (other than "qualified investors" as defined in the EU Prospectus Regulation Article 2 (e), cf. Article 1 no. 4 (b), as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer, or (iv) in any other circumstance that shall not result in a requirement for the registration or the publication by the Issuer or the Dealer or Dealers of a Base Prospectus pursuant to the EU Prospectus Regulation Article 1 no. 4 and no. 6 as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act. ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds denominated in Norwegian kroner may not be offered or sold in the Norwegian market without the ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds prior thereto having been registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be the VPS.

### **General**

The Initial Dealers have agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that ES Notes, ES Covered Bonds, VPS Notes or VPS Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## **GENERAL INFORMATION**

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### **Information about the Base Prospectus**

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

### **Authorisation and responsibility**

The current update of the Programme and the issue of Notes and Covered Bonds thereunder has been duly authorised in accordance with resolutions of the Board of Directors of the Issuer dated 12 March 2024.

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, to the best of its knowledge, the information contained in the Base Prospectus is in accordance with the facts and that the Base 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 Base Prospectus and declares that, to the best of its knowledge, the information contained in the Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

### **Documents Available**

The Issuer's Certificate of Registration and Articles of Association are electronically available at <https://www.landshypotek.se/en/about-landshypotek/about-landshypotek-bank/> for the term of the Base Prospectus.

### **Clearing Systems**

ES Notes and ES Covered Bonds will be registered with Euroclear Sweden AB (which will be the entity in charge of keeping the records). Investors with accounts Euroclear/Clearstream, Luxembourg may hold ES Notes and ES Covered Bonds in their accounts with such clearing systems and the relevant clearing system will be shown in the records of the Euroclear Sweden as the ES Noteholder or ES Covered Bondholder of the relevant amount of ES Notes or ES Covered Bonds. The address of the Euroclear Sweden AB is Swedish Central Securities Depository, Euroclear Sweden, Box 191, 101 23 Stockholm.

VPS Notes and VPS Covered Bonds will be registered with the VPS (which will be the entity in charge of keeping the records). Investors with accounts in Euroclear/Clearstream, Luxembourg may hold VPS Notes and VPS Covered Bonds in their accounts with such clearing systems and the relevant clearing system will be shown in the records of the VPS as the VPS Noteholder or VPS Covered Bondholder of the relevant amount of VPS Notes or VPS Covered Bonds. The address of the VPS is Euronext Securities Oslo, Tollbugata 2, NO-0152 Oslo, Norway.

### **Benchmarks regulation**

Amounts payable under the Notes or Covered Bonds may be calculated by reference to EURIBOR, STIBOR or NIBOR (each as defined in the terms and conditions of the Notes and Covered Bonds), as specified in the applicable Final Terms, which are provided by the European Money Markets Institute (EMMI) (in the case of EURIBOR), the Swedish Financial Benchmark Facility (the SFBF) (in the case of STIBOR) and Norske Finansielle Referanser AS (NoRe) (in the case of NIBOR).

As at the date of this Base Prospectus, EMMI (as administrator of EURIBOR), the SFBF (as administrator of STIBOR) and NoRe (as administrator of NIBOR) are included on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (as amended, the EU Benchmarks Regulation).

### **Provision of Information**

In relation to the Notes and Covered Bonds, more information on the handling of personal data about a Noteholder or Covered Bondholder, can be found on the Issuer's, the relevant Issuing Agent's, the VPS trustee's or the VPS Agent's website or by contacting the Issuer, the relevant Issuing Agent, the VPS trustee or the VPS Agent at the addresses specified below for more information.

### **Legal Entity Identifier (LEI) of the Issuer**

The LEI of the Issuer is 5493004WUGGU2BQI7F14.

### **Trend information**

There has been no material adverse change in the prospects of the Issuer since 13 March 2024, being the date of publication of the latest audited financial information of the Group.

There has been no significant change in the financial performance of the Group since 31 March 2024, being the end of the last financial period for which financial information has been published to the date of the Base Prospectus.

### **Significant changes since 31 March 2024**

There have been no significant changes in the financial position of the Group since 31 March 2024, being the end of the last financial period for which interim financial information has been published.

### **Material Contracts**

The Issuer has not entered into any material contracts outside the ordinary course of its business.

### **Litigation**

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

### **Auditors**

The auditors of the Issuer are Öhrlings PricewaterhouseCoopers AB, represented by Catarina Ericsson (Authorised Public Accountant) and Hampus Engzell (Authorised Public Accountant). The auditors at Öhrlings PricewaterhouseCoopers AB have audited the Issuer's accounts in accordance with generally accepted auditing standards in Sweden for each of the two financial years ended 31 December 2023 and 31 December 2022 and issued unqualified audit reports thereon. Catarina Ericsson and Hampus Engzell are members of FAR, the professional institute for authorised public accountants, approved public accountants and other highly qualified professionals in the accountancy sector in Sweden.

The auditors of the Issuer have no material interest in the Issuer.

### **Dealers transacting with the Issuer**

Each Initial Dealer and its affiliates have engaged, and may in the future engage, and any other Dealer appointed under the Programme from time to time and its affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. Each Initial Dealer and its affiliates, and any other Dealer appointed under the Programme from time to time and its affiliates, may have positions, deal or make markets in the Notes or Covered Bonds issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, each Initial Dealer and its affiliates, and any other Dealer appointed under the Programme from time to time and its affiliates, may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes or Covered Bonds issued under the Programme. Any such positions could adversely affect future trading prices of Notes or Covered Bonds issued under the Programme. Each Initial Dealer and its affiliates, and any other Dealer appointed under the Programme from time to time and its affiliates, may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Alternative Performance Measures**

In this Base Prospectus, the Issuer uses certain metrics in the analysis of its business and financial position which the Issuer considers to constitute alternative performance measures (APMs) for the purposes of the ESMA Guidelines on Alternatives Performance Measures. APMs are financial metrics of historical or future performance,



financial position or cash flows that are not defined in the applicable rules for financial reporting (for example, IFRS or the Swedish Annual Accounts Act for Credit Institutions and Securities Companies) nor in the capital adequacy rules. The Issuer uses APMs when these are relevant for the presentation and follow-up of the Issuer's financial performance over time and when these metrics are deemed by the Issuer to provide additional valuable information. APMs can be calculated with various approaches and, accordingly, the Issuer's metrics are not directly comparable with similar metrics presented by other companies. The definitions and aims of the APMs used in this Base Prospectus are set out below and in the 2024 First Quarter Interim Report, the 2023 Annual Report and the 2022 Annual Report (see "*Documents Incorporated by Reference*").

<i>Definitions of APMs</i>	<i>Aim</i>
<b>Change in loans to the public, %:</b> The percentage increase in loans to the public during the period.	The aim is to illustrate the growth in the lending portfolio which comprises a key parameter for future income.
<b>Interest margin, LTM, %:</b> Net interest income over the last 12 months in relation to average lending during the period.	The aim is to describe the Issuer's margin on net interest income in relation to lending to the public, which describes the earnings capacity. In the quarterly key financial ratios, the results for the quarter have been restated at full-year outcomes to provide comparable key ratios for the period.
<b>Change in deposits from the public, %:</b> The percentage increase in deposits from the public during the period.	This metric aims to illustrate the growth in the Issuer's deposits from the public and thereby part of the Issuer's financing.
<b>C/I ratio including financial transactions:</b> Costs in relation to income including the net result of financial transactions.	The aim is to clarify costs in relation to income, which demonstrates the level of cost-efficiency. This key ratio includes the net result of financial transactions.
<b>C/I ratio excluding financial transactions:</b> Costs in relation to income excluding the net result of financial transactions.	The aim is to clarify costs in relation to income, which demonstrates the level of cost-efficiency. This key ratio excludes the net result of financial transactions.
<b>Credit loss level, %:</b> Net credit losses for the period restated on an annualised basis in relation to average lending during the period.	The aim is to clarify the scope of credit losses in relation to lending. In the quarterly key financial ratios, the results for the quarter have been restated at full-year outcomes to provide comparable key ratios for the period.
<b>Credit-impaired assets:</b> Credit-impaired assets, gross after deduction of provisions made.	This metric aims to show the credits outstanding that are assessed as impaired, and for which the Issuer has made provisions.
<b>Net credit-impaired assets after allowances as a percentage of total loans outstanding, %:</b> Net credit-impaired assets in relation to loans to the public.	This metric aims to show the proportion of credits outstanding that are assessed as impaired, and for which the Issuer has made allowances.
<b>Leverage ratio, %:</b> Tier 1 capital relative to exposure measure.	The aim is to clarify the Issuer's Tier 1 capital in relation to its total exposures, which serves as an indication of the Issuer's financial stability.
<b>CET1 capital ratio, %:</b> CET1 capital relative to risk-weighted assets.	The aim is to clarify the Issuer's CET1 capital in relation to its risk-weighted assets, which serves as an indication of the Issuer's financial stability.
<b>Total capital ratio, %:</b> Own funds relative to risk-weighted assets.	The aim is to clarify the Issuer's own funds in relation to its risk-weighted assets, which serves as an indication of the Issuer's financial stability.

**Return on equity, %:** Net profit for the year divided by average equity after adjustment for Tier 1 capital debt.

The aim is to show the Issuer's return on equity, which is a measure of the Issuer's profitability. In the quarterly key financial ratios, the results for the quarter have been restated at full-year outcomes to provide comparable key ratios for the period.

**Earnings per share, SEK:** Net profit for the year in relation to the number of shares.

The aim is to show the shareholder's participation in earnings.

## **Credit Ratings**

As at the date of this Base Prospectus, the Programme has the following ratings from S&P: A (Senior Preferred Notes and Senior Preferred VPS Notes with a maturity of one year or more); A-1 (Senior Preferred Notes and Senior Preferred VPS Notes with a maturity of less than one year); BBB+ (Senior Non-Preferred Notes and Senior Non-Preferred VPS Notes); BBB (Subordinated Notes and Subordinated VPS Notes); and AAA/Stable/A-1+ (senior secured Covered Bonds and VPS Covered Bonds with a maturity of one year or more). Please see an explanation of the meaning of these ratings below:

### *Long-Term Issue Credit Ratings:*

An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings, acting through S&P Global Ratings Europe Limited. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

### *Short-Term Issue Credit Ratings:*

A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings, acting through S&P Global Ratings Europe Limited. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong.

### *Rating Outlooks:*

Stable means that a rating is not likely to change.

**ADDRESSES**

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**THE ISSUER****Landshypotek Bank AB (publ)**

P.O. Box 14092  
SE-104 41 Stockholm  
Sweden

**THE VPS TRUSTEE****Nordic Trustee AS**

Kronprinsesse Märthas plass 1  
N-0160 Oslo  
Norway

**THE VPS AGENT****DNB Bank ASA**

Dronning Eufemias gate 30  
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Norway

**LEGAL ADVISERS**

*To the Issuer as to Swedish law*

**Mannheimer Swartling Advokatbyrå**

Norrlandsgatan 21  
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SE-111 87 Stockholm  
Sweden

*To the Issuer as to Norwegian law*

**Wikborg Rein Advokatfirma AS**

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NO-0117 Oslo  
Norway

**AUDITORS TO THE ISSUER****Öhrlings PricewaterhouseCoopers AB**

SE-113 97 Stockholm  
Sweden

**ARRANGER****Swedbank AB (publ)**

SE-105 34 Stockholm  
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**INITIAL DEALERS****Danske Bank A/S**

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**DNB Bank ASA, Sweden Branch**

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**Nordea Bank Abp**

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

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**Svenska Handelsbanken AB (publ)**

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**Swedbank AB (publ)**

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Sweden