

This Prospectus was approved by the Swedish Financial Supervisory Authority on 24 May 2024 and shall be valid for up to twelve (12) months after the date of its approval provided that this Prospectus is supplemented in accordance with article 23 of the Prospectus Regulation. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid.



Landshypotek Bank

LANDSHYPOTEK BANK AKTIEBOLAG (PUBL)

**Prospectus for the admission to trading of
SEK 500,000,000 Floating Rate Additional Tier 1 Capital Notes**

ISIN: SE0022049995

Joint Bookrunners

Nordea

SEB

Important information

In this prospectus, the “**Issuer**” means Landshypotek Bank Aktiebolag (publ). The “**Group**” means the Issuer with all its subsidiaries from time to time (each a “**Group Company**”). The “**Joint Bookrunners**” means Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ).

Words and expressions defined in the terms and conditions beginning on page 23 (the “**Terms and Conditions**”) have the same meanings when used in this prospectus (the “**Prospectus**”), unless expressly stated otherwise follow from the context.

The Issuer has issued a total of 250 Additional Tier 1 Capital notes (the “**Notes**”) in the Total Nominal Amount of SEK 500,000,000 on 15 May 2024 (the “**Issue Date**”). This Prospectus has been prepared for the admission to trading of the Notes on Nasdaq Stockholm. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes. This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection herewith.

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

Solely for the purposes of the manufacturers’ (as used herein, “**Manufacturers**” refers to Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) in their capacity as joint bookrunners) product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients, each as defined in Directive 2014/65/EU as amended (“**MIFID II**”), and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**Distributor**”) should take into consideration the Manufacturers’ target market assessment. However, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Manufacturers’ target market assessment) and determining appropriate distribution channels.

The Notes are not intended to be, and should thus not be, offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently, no key information document as set out in Regulation (EU) No. 1286/2014 (as amended, the “**PRIIPs Regulation**”) has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

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

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer’s business since the date of this Prospectus. With the exception of the Issuer’s consolidated financial statements for 2022 and 2023, no information in this Prospectus has been audited or reviewed by the Issuer’s auditor. Financial data in this Prospectus that has not been audited by the Issuer’s auditor stem from internal accounting and reporting systems.

Forward-looking statements and market data

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

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

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

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RISK FACTORS

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 Notes 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 Prospectus. Prospective investors should also read the detailed information set out elsewhere in this 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.

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 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 Swedish FSA, 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 Swedish FSA determining that the Issuer's business does not satisfy the statutory soundness requirement for credit institutions and could result in the Swedish FSA 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 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 Swedish FSA, 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 Swedish FSA 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 Swedish FSA 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 Swedish FSA. The countercyclical buffer rate is a capital requirement which varies over time and is to be used to support credit supply in adverse market conditions. 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 Swedish FSA 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 previous and forthcoming regulatory changes. An example of regulatory changes, among other actions, and changes, is the

Swedish FSA'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 Swedish FSA'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 Swedish FSA 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 Swedish FSA 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 Swedish FSA determining that the Issuer's business does not satisfy the statutory soundness requirement for credit institutions and thus result in the Swedish FSA imposing sanctions on the Issuer. Further, any increase in the capital and liquidity requirements could have a negative effect on the Issuer's liquidity (should its revenue streams not cover continuous payment to be made under its issued capital), funding (should it not be able to raise funding on attractive terms, or at all), financial condition (should liquidity and funding be negatively affected) and results of operations (should its costs increase). The degree to which regulatory capital and liquidity requirements risks may affect the Issuer is uncertain and 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 senior notes and subordinated notes into any other securities, 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) 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 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 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) 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.

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 Swedish FSA, 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 Swedish FSA determines that the SDIS should be activated in a given situation. The SDIS is administered by the Swedish National Debt Office. If activated, the insurance guarantees each customer compensation amounting to the value of the total funds in his or her account(s) with the Issuer, plus accrued interest, until the time of bankruptcy or the Swedish FSA's activation decision. As of the date of this 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).

Risks relating to the Notes

The Issuer's obligations under the Notes are deeply subordinated

The Notes are intended to constitute unsecured, deeply subordinated obligations of the Issuer and the Issuer Consolidated Situation (as defined in the Terms and Conditions). In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the Noteholders to payments on or in respect of (including any damages awarded for breach of any obligations under) the Notes (which in the case of any payment of principal shall be to payment of the then Nominal Amount only) shall at all times rank (a) *pari passu* without any preference among themselves; (b) *pari passu* with any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital and any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, equally with the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; (c) senior to the claims of holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and (d) junior to any present and future claims of (i) depositors of the Issuer, (ii) any other unsubordinated creditors of the Issuer, (iii) any subordinated creditors (except as expressly stated in item (a) above) including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital, and (iv) any non-preferred creditors falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*).

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

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

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

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

Interest payments on the Notes may be cancelled by the Issuer

Any payment of Interest in respect of the Notes shall be payable only out of the Issuer’s Distributable Items and (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; or (ii) will be mandatorily cancelled if and to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

Any cancellation of Interest (in whole or in part thereof) shall in no way limit or restrict the Issuer from making any payment of interest or equivalent payment or other distribution in connection with any instrument ranking junior to the Notes, any CET1 capital) of the Issuer or in respect of any other Additional Tier 1 Capital instruments. In addition, the Issuer may without restriction use funds that could have been applied to make such cancelled payments to meet its other obligations as they become due.

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

As a result of the above, there is a risk that the payment of Interest is cancelled, which would adversely affect the Noteholders. Following any cancellation of interest as described above, Noteholders shall have no right thereto or to receive additional interest or compensation. Furthermore, no cancellation of interest in accordance with the terms of the respective Notes shall constitute a default in payment or otherwise under the Notes or entitle Noteholders to take any action to cause the Issuer to be declared bankrupt or for the liquidation, winding-up or dissolution of the Issuer. Accordingly, in a worst case scenario, the amount of any Interest may be reduced to zero.

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

Risks relating to loss absorption following a Trigger Event

If at any time the CET1 ratio of (i) the Issuer has fallen below 5.125 per cent., or (ii) 7.00 per cent of the Issuer Consolidated Situation, this constitutes a Trigger Event and the Total Nominal Amount of the Notes shall be written down by an amount sufficient to restore the CET1 ratio of the Issuer to at least 5.125 per cent., or the Issuer Consolidated Situation to at least 7.00 per cent., provided that the Nominal Amount of each Note may not be written down below SEK 1. The write down of the Notes is likely to result in a holder of Notes losing some or all of its investment. Following any such reduction of the Total Nominal Amount, the Issuer may, at its discretion, reinstate in whole or in part the principal amount of the Notes, if certain conditions are met. The Issuer will not in any circumstances be obliged to reinstate in whole or in part the principal amount of the Notes (and any such reinstatement is likely to require unanimous approval at a shareholders’ meeting of the Issuer).

The Issuer and/or the Swedish FSA may determine that a Trigger Event has occurred on more than one occasion and the reduced Nominal Amount of each Note may be written down on more than one occasion. Further, during any period when the then Nominal Amount of a Note is less than the initial Nominal Amount, interest will accrue on and the Notes will be redeemed at the reduced Nominal Amount of the Notes.

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

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

The holders of Notes are subject to the risk that the Notes may be required to absorb losses as a result of statutory powers conferred on resolution and competent authorities in Sweden (the Swedish National Debt Office and the Swedish FSA, respectively). As noted above in the risk factor "*Bank Recovery and Resolution Directive*", the powers provided to resolution and competent authorities in the BRRD include write-down/conversion powers to ensure that relevant capital instruments (such as the Notes) fully absorb losses at the point of non-viability of the issuing institution in order to allow it to continue as a going concern subject to appropriate restructuring and without entering resolution. As a result, the BRRD contemplates that resolution authorities have the power to require the permanent write-down of such capital instruments (which write-down may be in full) or the conversion of them into CET1 instruments at the point of non-viability (which CET1 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 the Notes. Accordingly, in a worst case scenario, the capital instruments may be written down and the value of the Notes may be reduced to zero.

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

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

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

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

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

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

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

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

Risks relating to substitution or variation of the Notes

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

There is a risk that, due to the particular circumstances of each Noteholder, any Qualifying Securities will be less favourable to each Noteholder in all respects or that a particular Noteholder would not make the same determination as the Issuer as to whether the terms of the relevant Qualifying Securities are not materially less favourable to Noteholders than the terms of the relevant Notes. The substitution or variation of the Notes may thus lead to changes in the Notes that have effects that are less favourable to the Noteholders. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequence suffered by any Noteholder). The degree to which the Notes may be substituted or varied is uncertain and presents a significant risk to the return of the Notes.

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

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

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

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

Risks relating to European Benchmarks Regulation

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

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

OVERVIEW OF THE NOTES

This section (Overview of the Notes) is only intended to serve as an introduction to the Notes. Any decision to invest in the Notes shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The complete terms and conditions of the Notes are found on pages 23-55.

The Notes

The Issuer has issued 250 Notes with a Nominal Amount of SEK 2,000,000 each. The aggregate nominal amount of the Notes is SEK 500,000,000.

The Notes are denominated in Swedish kronor.

ISIN and common code

The Notes have been allocated the ISIN code SE0022049995. The Notes will also be allocated a common code upon admission to trading. Such common code has not been allocated at the date of this Prospectus.

Form of the Notes

The Notes are issued in dematerialised book-entry form and registered on a Securities Account on behalf of the relevant Noteholder. Hence, no physical notes have been issued. The Notes are registered in accordance with the Financial Instruments Accounts Act and registration requests relating to the Notes shall be directed to an Account Operator. Clearing and settlement relating to the Notes, as well as payment of Interest and redemption of principal amounts, will be performed within the CSD's account-based system and is reliant on the functioning of such system.

Status of the Notes

The Notes on issue are intended to constitute Additional Tier 1 Capital of the Issuer and the Issuer Consolidated Situation. The Notes will constitute direct, unsecured and subordinated debt liabilities of the Issuer, and all payments in respect of, or arising from (including any damages awarded for breach of any obligations under) such Notes, shall at all times rank:

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

Issuance, repurchase and redemption

Issue Date and tenor

The Notes were issued on 15 May 2024. The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in Clause 12 (*Redemption and repurchase of the Notes*) of the Terms and Conditions. The Notes are not redeemable at the option of the Noteholders at any time.

Purchase of the Notes by the Issuer and related companies

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

Redemption at the option of the Issuer

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

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

Noteholders should not invest in the Notes with the expectation that a call will be exercised by the Issuer. The Issuer might not elect to exercise such a call. Further, the Swedish FSA must agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There is a risk that the Swedish FSA will not permit such a call. Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes indefinitely.

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

Subject to permission from the Swedish FSA in accordance with the Terms and Conditions, all (but not some only) outstanding Notes can be (i) redeemed on any Interest Payment Date or (ii) substituted or varied without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with the Terms and Conditions in relation to the Qualifying Securities so substituted or varied.

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

Payments in respect of the Notes

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

Interest

Subject to Clause 10.2 and Clause 11 of the Terms and Conditions, each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date. The Interest Rate will be the Base Rate, i.e. STIBOR or any reference rate replacing STIBOR in accordance with Clause 18 (*Replacement of Base Rate*) of the Terms and Conditions, plus a margin of 2.70 per cent (and any applicable Adjustment Spread) per annum.

Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

The Interest Payment Dates will be 15 February, 15 May, 15 August and 15 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes will be 15 August 2024 and the last Interest Payment Date shall be the relevant Redemption Date.

Interest cancellation

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

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

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

Trigger Events, loss absorption and reinstatement

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

If at any time a Trigger Event occurs, the Issuer shall immediately notify the Swedish FSA, the Noteholders and the Agent in accordance with the Terms and Conditions and the Total Nominal Amount or the Issuer's payment obligation under the respective Notes shall be written down. A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) by the Noteholders and shall be made in consultation with the Swedish FSA and in accordance with the CSD Regulations. The amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would reduce the Total Nominal Amount down to SEK 250 (i.e. down to a Nominal Amount of SEK 1.00) or such lower reduction amount as is sufficient to restore the CET1 Ratio of the Issuer to at least 5.125 per cent., and the CET1 Ratio of the Issuer Consolidated Situation to at least 7.00 per cent., in each case at the point of such write-down, on the terms as set out in Clause 11.1 (*Loss absorption upon a Trigger Event*) of the Terms and Conditions.

Following a write-down of the Total Nominal Amount, the Issuer may, at its sole and absolute discretion, reinstate the Notes, subject to compliance with any maximum distribution limits set out the Applicable Capital Regulations. The Issuer will not in any circumstances be obliged to reinstate in whole or in part the principal amount of the Notes. Any such reinstatement may constitute a "transfer of value" (*värdeöverföring*) for the purposes of the Swedish Companies Act (*aktiebolagslagen (2005:551)*) which would require the unanimous approval of the shareholders of the transferor (i.e. the Issuer) at the time of the transfer. As of the date of this Prospectus, the Issuer's sole shareholder is Landshypotek Ekonomisk Förening. No assurance can be given that the Issuer's shareholder would approve any such reinstatement at the relevant time nor that the Issuer will continue to be owned solely by Landshypotek Ekonomisk Förening.

Unless write up of the principal amount of the Notes is permitted and possible in accordance with the rules of the CSD, reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the CSD Regulations. For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the respective Notes (if issued in full), being SEK 500,000,000.

European Benchmarks Regulation

The Interest payable under the Notes is calculated by reference to the benchmark STIBOR, as defined in the Terms and Conditions. This benchmark is provided by Swedish Financial Benchmark Facility AB ("**SFBF**"), a wholly owned subsidiary of Global Rate Set Systems Ltd. At the date of this Prospectus, the SFBF is included on the register of administrators and benchmarks maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation.

Admission to trading

The Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market. Prior to any admission to trading, there has been no public market for the Notes. An active trading market for the Notes may not develop or, if developed, it might not be sustained. The Nominal Amount may not be indicative of the market price for the Notes.

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

The earliest date on which the Notes will be admitted to trading will be 28 May 2024. It is estimated that the Issuer's costs in conjunction with the admission to trading will not be higher than SEK 150,000.

Decisions by Noteholders

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

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

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

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

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

Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

No direct action by Noteholders

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

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

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

Bankruptcy and liquidation

If, and, notwithstanding anything to the contrary in the Terms and Conditions, only if, the Issuer is declared bankrupt or put into liquidation, a Noteholder may prove or claim in such bankruptcy or liquidation for payment of the Nominal Amount of Notes held by such Noteholder, together with Interest accrued to (but excluding) the

date of commencement of the relevant bankruptcy or liquidation proceedings to the extent the Interest has not been cancelled by the Issuer.

No other remedy against the Issuer than as set out in the immediately preceding paragraph shall be available to the Noteholders in respect of the Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Notes.

Time-bar

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

Governing law

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

The CSD

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

The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of or in connection with any Noteholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the Debt Register.

The Agent

Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, has been appointed as Agent on behalf of the Noteholders in accordance with the Terms and Conditions. The Agency Agreement is available to the Noteholders at the office of the Agent during normal business hours.

The Issuing Agent

Nordea Bank Abp, filial i Sverige, has been appointed as Issuing Agent in accordance with the Terms and Conditions of the Notes.

The Joint Bookrunners

Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) have been appointed as Joint Bookrunners.

Rating

The Notes have been assigned the credit rating BB by Standard & Poor. Standard & Poor is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

The following table sets out the long-term rating scale of Standard & Poor:

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

D

Use and net amount of proceeds

The net amount of the proceeds is SEK 500,000,000. The Issuer shall use the proceeds from the issue of the Notes for general corporate purposes.

Restrictions on the transferability of the Notes

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

TERMS AND CONDITIONS OF THE NOTES



Landshypotek Bank

**TERMS AND CONDITIONS FOR
LANDSHYPOTEK BANK AKTIEBOLAG (PUBL)
SEK 500,000,000
FLOATING RATE ADDITIONAL TIER 1 CAPITAL NOTES**

ISIN: SE0022049995

Issue date: 15 May 2024

SELLING RESTRICTIONS

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

PRIVACY NOTICE

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

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

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

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

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

The Issuer's, the Issuing Agent's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites <https://www.landshypotek.se/>, <https://www.nordea.se> and <https://www.nordictrustee.com/>.

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

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

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

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

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

“**Affiliate**” means:

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

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

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

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

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

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

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

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

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

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

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

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

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

“**CET1 Ratio**” means, at any time:

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

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

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

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

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

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

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

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

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

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

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

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

“**First Call Date**” means the Interest Payment Date falling on or immediately after the fifth (5) anniversary of the Issue Date (15 May 2029).

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

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

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

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

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

“**Interest Payment Date**” means 15 February, 15 May, 15 August and 15 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 15 August 2024 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means:

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

“**Interest Rate**” means the Base Rate plus 2.70 per cent. *per annum*, as adjusted by any application of Clause 18 (*Replacement of Base Rate*).

“**Issue Date**” means 15 May 2024.

“**Issuer**” means Landshypotek Bank Aktiebolag (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556500-2762 and LEI code 5493004WUGGU2BQI7F14.

“**Issuer Consolidated Situation**” means the Issuer, Landshypotek Ekonomisk Förening (Swedish Reg. No. 769600-5003) and any other entities which are part of the Swedish prudential consolidated situation (as such term is used in the Applicable Capital Regulations) of which the Issuer is a part, from time to time.

“Issuing Agent” means Nordea Bank Abp, filial i Sverige, or such other party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

“Loss Absorbing Instruments” means capital instruments or other obligations of any company within the Consolidated Situation (other than the Notes) which include a principal loss absorption mechanism that is capable of generating CET1 Capital and that is activated by a trigger event set by reference to the CET1 Ratio of the Issuer and/or the CET1 Ratio of the Issuer Consolidated Situation.

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

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

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

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

“Qualifying Securities” means securities issued directly or indirectly by the Issuer following a substitution or variation of the Notes in accordance with Clause 12.4(b) that have terms not materially less favourable to investors, certified by the Issuer acting reasonably (having consulted with an independent investment bank or independent financial adviser of international standing), than the terms of the Notes (immediately prior to the relevant substitution or variation), provided that they:

- (a) shall include a ranking at least equal to that of the Notes;
- (b) shall have at least the same Interest Rate and the same Interest Payment Dates as those applying to the Notes;
- (c) shall have the same redemption rights as the Notes;
- (d) shall preserve any existing rights under the Notes to any accrued interest which has not been paid but which has not been cancelled in respect of the period from (and including) the Interest Payment Date last preceding the date of the relevant substitution or variation of the Notes;
- (e) if the Notes were admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are to be admitted to trading on a Regulated Market (noting that no investor in the relevant Qualifying Securities (or its representative) has the right to accelerate the relevant Qualifying Securities or otherwise request a prepayment or redemption of the relevant Qualifying Securities upon a failure to admit the relevant Qualifying Securities to trading);
- (f) are assigned (or maintain) the same or higher credit ratings as were assigned to the Notes (if any) immediately prior to the relevant substitution or variation of the Notes; and
- (g) shall comply with the then current requirements for Additional Tier 1 Capital contained in the Applicable Capital Regulations.

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

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

- (a) an Interest Payment Date;
- (b) a Redemption Date;

- (c) a date on which a payment to the Noteholders is to be made under Clause 15 (*Distribution of proceeds*);
- (d) a date of a Noteholders' Meeting; or
- (e) another relevant date,

or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

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

"Relevant Nominating Body" has the meaning set forth in Clause 18.2.

"Reinstatement Date" shall have the meaning as set forth in Clause 11.2.3.

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

"Securities Account" means the account for dematerialised securities (*avstämningsregister*) maintained by the CSD pursuant to the Financial Instruments Accounts Act in which:

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

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

"STIBOR" means:

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

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

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

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

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

“**Tax Event**” means, as a result of any change in, or amendment to, the laws or regulations of Sweden, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, such that the Issuer is, or becomes, subject to a significant amount of additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes, provided that the Issuer satisfies the Swedish FSA that such change in tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date.

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

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

“**Trigger Event**” means if, at any time, the CET1 Ratio of:

- (a) the Issuer, as calculated in accordance with the Applicable Capital Regulations, is less than 5.125 per cent.; or
- (b) the Issuer Consolidated Situation, as calculated in accordance with the Applicable Capital Regulations, is less than 7.00 per cent.,

in each case as determined by the Issuer and/or the Swedish FSA (or any agent appointed for such purpose by the Swedish FSA).

“**Write Down Amount**” has the meaning as set forth in Clause 11.1.5.

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

“**Written Down Additional Tier 1 Instrument**” means an instrument (other than the Notes) issued directly or indirectly by the Issuer and qualifying as Additional Tier 1 Capital of the Issuer and/or the Issuer Consolidated Situation that, immediately prior to any reinstatement of the Notes, has a nominal amount which is less than its initial nominal amount due to a write down and that has terms permitting a principal write up to occur on a basis similar to that set out in Clause 11.2 (*Reinstatement of the Notes*) in the circumstances existing on the relevant Reinstatement Date.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 16.1 (*Request for a decision*), Clause 16.2 (*Convening of Noteholders’ Meeting*) and Clause 16.4 (*Majority, quorum and other provisions*).

1.2 Construction

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

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

- (d) a time of day is a reference to Stockholm time.
- 1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken on a specific Business Day, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.3 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.4 The selling and distribution restrictions and the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Noteholders and the Agent (save for the privacy statement insofar it relates to the Agent).

2. THE NOTES

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions, subject to and in accordance with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The initial nominal amount of each Note is SEK 2,000,000 (the “**Nominal Amount**”). The Total Nominal Amount of the Notes is SEK 500,000,000. The Nominal Amount, and the Total Nominal Amount, may, be subject to a write-down, and subsequent reinstatement, in each case on a *pro rata* basis, in accordance with Clause 11 (*Loss absorption and reinstatement*), and “Nominal Amount” shall be construed accordingly.
- 2.4 Each Note is issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 2.5 The ISIN for the Notes is SE0022049995.
- 2.6 The Issuer reserves the right to issue further notes, including, subordinated notes, and other obligations in the future, which may rank senior to or *pari passu* with the Notes.
- 2.7 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.8 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. STATUS OF THE NOTES

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

- (ii) any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, equally with the Notes,

in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

- (c) senior to the claims of holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (d) junior to any present and future claims of:
 - (i) depositors of the Issuer;
 - (ii) any other unsubordinated creditors of the Issuer;
 - (iii) any non-preferred creditors falling within the scope of the first paragraph of Section 18 of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*); and
 - (iv) except as expressly stated in paragraph (a) or (b) above, any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital.

3.2 A Noteholder or the Agent may only declare the Notes (and any accrued interest) due and payable in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer as set out in Clause 14 (*Bankruptcy or liquidation*).

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

4. USE OF PROCEEDS

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

5. CONDITIONS FOR DISBURSEMENT

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

- (a) the Finance Documents and the Agency Agreement duly executed by the parties thereto;
- (b) an extract of the resolution from the board of directors of the Issuer approving the issue of the Notes, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents (if any) necessary in connection therewith is in place;

- (c) the articles of association and an up-to date certificate of registration of the Issuer;
 - (d) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of parties thereto is/are duly authorised to do so; and
 - (e) such other documents and information as is agreed between the Agent and the Issuer.
- 5.2 The Agent may assume that the documentation delivered to it pursuant to Clause 5.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- 5.3 The Agent shall confirm to the Issuing Agent when the Agent is satisfied that the conditions in Clause 5.1 have been received (acting reasonably).
- 5.4 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.3, the Issuing Agent shall settle the issuance of the Notes and pay the proceeds from the issuance of the Notes to the Issuer on the Issue Date.

6. NOTES IN BOOK-ENTRY FORM

- 6.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Noteholders and their holdings of Notes.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalk (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 6.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 6.5 The Issuer and the Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 7.1 If any person other than a Noteholder (including the owner of a Note, if such person is not the Noteholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Noteholder or a successive, coherent chain of powers of attorney or authorisations starting with the Noteholder and authorising such person.
- 7.2 A Noteholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney (unless the power of attorney from such Noteholder states otherwise).

7.3 The Agent shall only have to examine the face of a power of attorney or other proofs of authorisation that has been provided to it pursuant to Clause 7.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

7.4 These Terms and Conditions shall not affect the relationship between a Noteholder who is the nominee (*förvaltare*) with respect to a Note and the owner of such Note, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

8. ADMISSION TO TRADING

8.1 Subject to Clause 8.3, the Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date or, if such admission to trading is not possible to obtain, admitted to trading on another Regulated Market.

8.2 Subject to Clause 8.3, the Issuer shall, following the admission to trading, use reasonable efforts to maintain the admission to trading as long as any Notes are outstanding, however not longer than up to and including the last day of which the admission to trading can reasonably, pursuant to the applicable regulations of the Regulated Market and the CSD Regulations, subsist.

8.3 For the avoidance of doubt, neither a Noteholder nor the Agent has the right to accelerate the Notes or otherwise request a prepayment or redemption of the Notes if a failure to admit to trading the Notes or maintain an admission to trading of the Notes in accordance with Clause 8.1 or 8.2 above occurs.

9. PAYMENTS IN RESPECT OF THE NOTES

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

9.2 Provided that a Noteholder has registered an income account (*avkastningskonto*) for the relevant Securities Account on the applicable Record Date, the CSD shall procure that principal, interest and other payments under the Notes are deposited to such income account on the relevant payment date. If an income account has not been registered on the Record Date for the payment, no payment will be effected by the CSD to such Noteholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Noteholder on the relevant Record Date has made a valid request for such amount. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.

9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. For the avoidance of doubt, such postponement shall in no event constitute an event of default.

9.4 If payment or repayment is made in accordance with this Clause 9 (*Payments in respect of the Notes*), the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount (unless the Issuer has actual knowledge of the fact that the payment was made to the wrong person).

9.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax (including but not limited to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto), public levy or the similar.

10. INTEREST AND INTEREST CANCELLATION

10.1 Interest

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

10.2 Interest cancellation

- 10.2.1 Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:
- (a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; or
 - (b) will be mandatorily cancelled if and to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.
- 10.2.2 The Issuer shall give notice to the Noteholders in accordance with Clause 24 (*Notices*) of any such cancellation of a payment of Interest, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above and shall not constitute an event of default for any purpose.
- 10.2.3 Following any cancellation of Interest as described above, the right of the Noteholders to receive accrued Interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such Interest or to pay interest thereon, whether or not payments of Interest in respect of subsequent Interest Periods are made, and such unpaid Interest will not be deemed to have "accrued" or been earned for any purpose.
- 10.2.4 Failure to pay such interest (or the cancelled part thereof) in accordance with this Clause 10 shall not constitute an event of default or the occurrence of any event related to the insolvency of the Issuer or entitle the Noteholders to take any action to cause the Issuer to be declared bankrupt or for the liquidation, winding-up or dissolution of the Issuer.

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

- 10.3.1 Subject to Clause 10.2 (*Interest cancellation*), in the event that a write-down of the Notes occurs pursuant to Clause 11.1 (*Loss absorption upon a Trigger Event*) during an Interest Period, Interest will continue to accrue on the Nominal Amount (as adjusted as of the relevant Write Down Date).
- 10.3.2 Subject to Clause 10.2 (*Interest cancellation*), in the event that a reinstatement of the Notes occurs pursuant to Clause 11.2 (*Reinstatement of the Notes*), Interest shall begin to accrue on the reinstated Nominal Amount with effect from (and including) the relevant Reinstatement Date.
- 10.3.3 In connection with a write-down or write-up pursuant to Clause 11 (*Loss absorption and reinstatement*), the Issuer shall inform the CSD of the adjusted basis for calculation of interest that shall be applied on the next Interest Payment Date, in order for the Noteholders to receive an amount of Interest equivalent to the Interest Rate on the Nominal Amount so written down or written up (as applicable).

10.4 No penalty interest

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

11. LOSS ABSORPTION AND REINSTATEMENT

11.1 Loss absorption upon a Trigger Event

- 11.1.1 If at any time a Trigger Event occurs, the Issuer shall immediately notify the Swedish FSA, the Noteholders and the Agent in accordance with Clause 24 (*Notices*) and the Total Nominal Amount or the Issuer's payment obligation under the Notes shall be written down in accordance with this Clause 11.1 (*Loss absorption upon a Trigger Event*).
- 11.1.2 A write-down shall take place without delay on a date selected by the Issuer in consultation with the Swedish FSA (the "**Write Down Date**") but no later than one month following the occurrence of the relevant Trigger Event. The Swedish FSA may require that the period of one month referred to above is reduced in cases where it assesses that sufficient certainty on the required amount of the write-down is established or in cases where it assesses that an immediate write-down is needed. For the purposes of determining whether a Trigger Event has occurred, the CET1 Ratio may be calculated at any time based on information (whether or not published) available to management of the Issuer, including information internally reported within the Issuer pursuant to its procedures for monitoring the CET1 Ratio. The Issuer intends to calculate and publish the CET1 Ratio on at least a semi-annual basis. The determination as to whether a Trigger Event has occurred shall be made by the Issuer, the Swedish FSA or any agent appointed for such purpose by the Swedish FSA and any such determination shall be binding on the Issuer and the Noteholders.
- 11.1.3 A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) by the Noteholders and shall be made in consultation with the Swedish FSA and in accordance with the CSD Regulations.
- 11.1.4 The aggregate reduction of the Total Nominal Amount of the Notes outstanding on the Write Down Date will, subject as provided below, be equal to the lower of:
- (a) the amount necessary to generate sufficient CET1 Capital that would restore the CET1 Ratio of the Issuer to at least 5.125 per cent. and the CET1 Ratio of the Issuer Consolidated Situation to at least 7.00 per cent. at the point of such reduction, after taking into account (subject as provided below) the *pro rata* write-down and/or conversion of the prevailing nominal amount of all Loss Absorbing Instruments (if any) to be written down and/or converted concurrently (or substantially concurrently) with the Notes, provided that, with respect to each Loss Absorbing Instrument (if any), such *pro rata* write-down and/or conversion shall only be taken into account to the extent required to restore the CET1 Ratio contemplated above to the lower of (i) such Loss Absorbing Instrument's trigger level and (ii) the trigger level in respect of which the relevant Trigger Event under the Notes has occurred and, in each case, in accordance with the terms of the relevant Loss Absorbing Instruments and the Applicable Capital Regulations; and
 - (b) the amount that would result in the Nominal Amount of a Note being reduced to SEK 1.00.
- 11.1.5 A write-down in accordance with this Clause 11.1 (*Loss absorption upon a Trigger Event*) shall be made taking into account any preceding or imminent write-down of corresponding or similar loss absorbing instruments issued by the Issuer, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).
- 11.1.6 The aggregate reduction determined in accordance with Clause 11.1.4 shall be applied to all of the Notes *pro rata* on the basis of their Nominal Amount immediately prior to the write-down and references herein to "**Write Down Amount**" shall mean, in respect of each Note, the amount by which the Nominal Amount of such Note is to be written down accordingly. A Trigger Event may occur on more than one occasion (and each Note may be written down on more than one occasion).
- 11.1.7 To the extent the write down and/or conversion of any Loss Absorbing Instruments for the purpose of Clause 11.1.4 is not possible for any reason, this shall not in any way prevent any write-down of the Notes. Instead, in such circumstances, the Notes will be written down and the Write Down Amount determined as provided above but without including for the purpose of Clause 11.1.4 any CET1 Capital in respect of the write down or conversion of such Loss Absorbing Instruments, to the extent it is not possible for them to be written down and/or converted.

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

11.2 Reinstatement of the Notes

- 11.2.1 Following a write-down of the Total Nominal Amount in accordance with Clause 11.1 (*Loss absorption upon a Trigger Event*), the Issuer may, at its absolute discretion but subject to obtaining relevant approval from its shareholder (if required) reinstate any portion of the principal of the Notes, subject to compliance with any maximum distribution limits set out in the Applicable Capital Regulations and any other applicable regulations.
- 11.2.2 Unless write up of the principal amount of the Notes is permitted and possible in accordance with the CSD Regulations, reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the CSD Regulations.
- 11.2.3 A reinstatement in accordance with this Clause 11.2 (*Reinstatement of the Notes*) shall be made taking into account any preceding or imminent reinstatement of corresponding or similar loss absorbing instruments (if any) issued by the Issuer or any other member of the Issuer Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).
- 11.2.4 For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Notes (if issued in full), as at the Issue Date, being SEK 500,000,000.
- 11.2.5 For the avoidance of doubt, any reinstatement of any proportion of the principal of the Notes (either by way of write up of the principal of the Notes or by way of issuing new notes that qualify as Additional Tier 1 Capital of the Issuer Consolidated Situation) shall be made on a *pro rata* basis and without any preference among the Notes and on a *pro rata* basis with the reinstatement of all Written Down Additional Tier 1 Instruments (if any). Any failure by the Issuer to reinstate the Notes on a *pro rata* basis with the write up of all Written Down Additional Tier 1 Instruments (if any) however will not affect the effectiveness, or otherwise invalidate, any reinstatement of the Notes and/or reinstatement of the Written Down Additional Tier 1 Instruments or give Noteholders any rights as a result of such failure.
- 11.2.6 If the Issuer decides to reinstate any proportion of the principal of the Notes, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 24 (*Notices*) prior to such reinstatements becoming effective and specifying the date on which the reinstatements will become effective (the "**Reinstatement Date**"). Such notice shall specify the Record Date and any technical or administrative actions that a Noteholder needs to undertake to receive its portion of the reinstatement. A reinstatement of the Notes shall take place on a Business Day as selected by the Issuer, however, falling no earlier than twenty (20) Business Days following the effective date of the reinstatement notice.

12. REDEMPTION AND REPURCHASE OF THE NOTES

12.1 No scheduled redemption

12.1.1 The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in this Clause 12 (*Redemption and repurchase of the Notes*).

12.1.2 The Notes are not redeemable at the option of the Noteholders at any time and the Noteholders shall have no right to accelerate the Notes or other remedies or sanctions against the Issuer for any breach of these Terms and Conditions by the Issuer, other than as set out in Clause 14 (*Bankruptcy or liquidation*).

12.2 Redemption at the option of the Issuer

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

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

12.3 Purchase of Notes by the Issuer and related companies

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

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

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

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

12.5 Permission from the Swedish FSA

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

12.6 Redemption amount

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

12.7 Notice of redemption, substitution or variation

12.7.1 Any redemption, substitution or variation in accordance with Clauses 12.2 (*Redemption at the option of the Issuer*) and 12.4 (*Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) shall be made by the Issuer having given:

- (a) not less than fifteen (15) Business Days' notice to the Noteholders; and
- (b) not less than five (5) Business Days' notice (or such lesser period as may be agreed between the Issuer and the Agent) before the giving of the notice referred to in paragraph (a) above to the Agent.

in each case notice shall be given in accordance with Clause 24 (*Notices*). Any such notice is irrevocable and, upon expiry of the notice period, the Issuer is bound to redeem the Notes.

12.7.2 Notwithstanding Clause 12.7.1, if a Trigger Event occurs following a notice being given in accordance with Clause 12.7.1 but prior to the relevant redemption of the Notes, such notice shall be of no force and effect and Clause 11.1 (*Loss absorption upon a Trigger Event*) shall apply, and, for the avoidance of doubt, no redemption shall occur.

13. INFORMATION TO NOTEHOLDERS**13.1 Information from the Issuer**

Subject to Clause 14.1, the Issuer shall make the following information available to the Noteholders and the Agent by way of publication on the website of the Issuer:

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

13.2 Information from the Agent

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

13.3 Information among the Noteholders

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

13.4 Availability of Finance Documents

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

14. BANKRUPTCY OR LIQUIDATION

14.1 The Noteholders have no right to accelerate the Notes or otherwise request prepayment or redemption of the principal amount of the Notes. If, and, notwithstanding anything to the contrary in these Terms

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

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

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

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

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

15. DISTRIBUTION OF PROCEEDS

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

- (a) *first*, in or towards payment *pro rata* of:
 - (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Terms and Conditions (other than any indemnity given for liability against the Noteholders);
 - (ii) other costs and expenses relating to the protection of the Noteholders' rights as may have been incurred by the Agent;
 - (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.9; and
 - (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.4.13;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes not cancelled in accordance with Clause 10.2 (*Interest cancellation*) (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

15.2 Funds that the Agent receives (directly or indirectly) following an application of Clause 15.1 in connection with the enforcement or acceleration of the Notes constitute escrow funds

(*redovisningsmedel*) and must be held on a separate bank account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 (*Distribution of proceeds*) as soon as reasonably practicable.

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

16. DECISIONS BY NOTEHOLDERS

16.1 Request for a decision

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

Agent supplies such information to the Issuer or the Noteholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

16.2 Convening of Noteholders' Meeting

16.2.1 The Agent shall convene a Noteholders' Meeting by way of notice to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each such person who is registered as a Noteholder on the Record Date prior to the date on which the notice is sent.

16.2.2 The notice pursuant to Clause 16.2.1 shall include:

- (a) time for the meeting;
- (b) place for the meeting;
- (c) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (d) a form of power of attorney;
- (e) the agenda for the meeting;
- (f) any applicable conditions and conditions precedent;
- (g) the reasons for, and contents of, each proposal;
- (h) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (i) if a notification by the Noteholders is required in order to attend the Noteholders' Meeting, information regarding such requirement; and
- (j) information on where additional information (if any) will be published.

16.2.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

16.3 Instigation of Written Procedure

16.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the Record Date prior to the date on which the communication is sent.

16.3.2 A communication pursuant to Clause 16.3.1 shall include:

- (a) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (b) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney;

- (c) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16.3.1);
- (d) any applicable conditions and conditions precedent;
- (e) the reasons for, and contents of, each proposal;
- (f) if a proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (g) if the voting is to be made electronically, the instructions for such voting; and
- (h) information on where additional information (if any) will be published.

16.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Noteholders representing the requisite majority of the total Adjusted Total Nominal Amount pursuant to Clauses 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

16.3.4 The Agent may, during the Written Procedure, provide information to the Issuer by way of updates whether or not quorum requirements have been met and about the eligible votes received by the Agent, including the portion consenting or not consenting to the proposal(s) or refraining from voting (as applicable).

16.4 Majority, quorum and other provisions

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

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

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

16.4.2 The following matters shall require the consent of Noteholders representing at least sixty-six and two thirds (66⅔) per cent. of the Adjusted Total Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:

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

- 16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Total Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a), 17.1(c) or 17.1(d).
- 16.4.4 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Total Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Total Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 16.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.4.6 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Noteholders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 16.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 16.4.8 If any matter decided in accordance with this Clause 16 would require consent from the Swedish FSA, such consent to be sought by the Issuer.
- 16.4.9 The Noteholders may not resolve to make amendments to these Terms and Conditions if the Issuer, after consultation with the Swedish FSA, considers that a change in the Terms and Conditions would be likely to result in the exclusion of the Notes from the Additional Tier 1 Capital of the Consolidated Situation (an "**Additional Tier 1 Capital Exclusion Event**"). A resolution by the Noteholders to amend these Terms and Conditions is not valid if the Issuer, after consultation with the Swedish FSA, considers that such an amendment would be likely to result in an Additional Tier 1 Capital Exclusion Event
- 16.4.10 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.4.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Notes (irrespective of whether such person is a Noteholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that vote in respect of the proposal at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable (such time period to be no less than ten (10) Business Days).
- 16.4.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure or how they voted. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Noteholders.

- 16.4.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.14 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Noteholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 16.4.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Noteholders) may, subject to the prior written permission of the Swedish FSA (to the extent required pursuant to Applicable Capital Regulations), agree to amend the Finance Documents or waive any provision in a Finance Document, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Noteholders as a group;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required by applicable law, a court ruling or a decision by a relevant authority, including but not limited to, to facilitate any measure by the relevant regulator pursuant to the Swedish Resolutions Act (*lag (2015:1016) om resolution*);
 - (d) is required by the Swedish FSA for the Notes to satisfy the requirements or Additional Tier 1 Capital under the Applicable Capital Regulations as applied by the Swedish FSA from time to time;
 - (e) is necessary for the purpose of having the Notes admitted to trading on the corporate bond list of a Regulated Market, provided that such amendment or waiver does not materially adversely affect the rights of the Noteholders;
 - (f) is made pursuant to Clause 18 (*Replacement of Base Rate*); or
 - (g) has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).
- 17.2 The Issuer may substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with Clause 12.4 (*Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) in relation to the Qualifying Securities so substituted or varied.
- 17.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 17.1 and 17.2, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 13.4 (*Availability of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 17.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

18. REPLACEMENT OF BASE RATE

18.1 General

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

18.2 Definitions

In this Clause 18:

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

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

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

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

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Noteholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);

- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (*krishanteringsregelverket*) containing the information referred to in paragraph (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in paragraphs (b) to (e) above will occur within six (6) months.

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

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

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

“**Successor Base Rate**” means:

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

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

18.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments

- 18.3.1 Without prejudice to Clause 18.3.2 below, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 18.3.2 below.
- 18.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating, and finally deciding the applicable Base Rate.
- 18.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 18.3.2 above, the Noteholders shall, if so decided at a Noteholders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 18.3.2 above. If an event of default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 18.3 to 18.6, the Agent (acting on the instructions of the Noteholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer’s cooperation.
- 18.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice (“**Base Rate Amendments**”).
- 18.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the

commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

18.4 Interim measures

18.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:

- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
- (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.

18.4.2 For the avoidance of doubt, Clause 18.4.1 above shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 18. This will however not limit the application of Clause 18.4.1 above for any subsequent Interest Periods, should all relevant actions provided in this Clause 18 have been taken, but without success.

18.5 Notices etc.

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

18.6 Variation upon replacement of Base Rate

18.6.1 No later than giving the Agent notice pursuant to Clause 18.5 (*Notices etc.*), the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 18.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 18. The Successor Base Rate the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Noteholders.

18.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 18.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Noteholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 18.

18.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 18. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

18.7 Limitation of liability for the Independent Adviser

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

19. THE AGENT

19.1 Appointment of the Agent

19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.

19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

19.1.5 The Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 Duties of the Agent

19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.

19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill. The Agent is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Agent does not bind the Noteholders or the Issuer.

19.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.

19.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

19.2.5 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, (ii) the financial condition of the Issuer and the Group, or (iii) whether any other event specified in any Finance Document has occurred or is expected to occur, and should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists

- or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 19.2.6 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.7 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 19.2.8 The Agent shall give a notice to the Noteholders:
- (a) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement; or
 - (b) if it refrains from acting for any reason described in Clause 19.2.7.
- 19.2.9 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of a breach of the Terms and Conditions, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to a breach of the Terms and Conditions or may lead to a bankruptcy or liquidation of the Issuer, (ii) in connection with any Noteholders' Meeting or Written Procedure, (iii) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents, or (iv) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).
- 19.2.10 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 19.3 Liability for the Agent**
- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 16 (*Decisions by Noteholders*).
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

19.4 Replacement of the Agent

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Total Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after:
- (a) the earlier of the notice of resignation was given or the resignation otherwise took place; or
 - (b) the Agent was dismissed through a decision by the Noteholders,
- the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20. THE ISSUING AGENT

- 20.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 20.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Notes.
- 20.3 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross

negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

21. THE CSD

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

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

22. NO DIRECT ACTIONS BY NOTEHOLDERS

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

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

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

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

23. TIME-BAR

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

23.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

24. NOTICES

24.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch, or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;

- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch, or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (c) if to the Noteholders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Noteholders. A notice to the Noteholders shall also be published on the website of the Issuer and the Agent.
- 24.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective:
- (a) in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1;
 - (b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1; or
 - (c) in case of email, when received in readable form by the email recipient,
- any such notice shall be made in English.
- 24.3 Any notice which shall be provided to the Noteholders in physical form pursuant to these Terms and Conditions may, at the discretion of the Agent, be limited to:
- (a) a cover letter, which shall include:
 - (i) all information needed in order for Noteholders to exercise their rights under the Finance Documents;
 - (ii) details of where Noteholders can retrieve additional information;
 - (iii) contact details to the Agent; and
 - (iv) an instruction to contact the Agent should any Noteholder wish to receive the additional information by regular mail; and
 - (b) copies of any document needed in order for Noteholder to exercise their rights under the Finance Documents.
- 24.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.
- 25. FORCE MAJEURE**
- 25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 25.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 25.3 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

26. GOVERNING LAW AND JURISDICTION

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

Overview

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 dates 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.

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 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 Prospectus, information contained on the website does not form part of this Prospectus.

The Issuer is as at the date of this 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.

The Issuer is a public limited liability company (*publikt aktieföretag*) regulated by the Swedish Companies Act (*aktieföretagslagen (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 Swedish FSA. The Issuer has been granted a licence by the Swedish FSA to issue covered bonds in accordance with the Swedish Act on Issuance of Covered Bonds (*Lag (2003:1223) om utgivning av säkerställda obligationer*).

The Issuer has been assigned the credit ratings as set out below from Fitch and Standard & Poor:

	Fitch	Standard & Poor
Short term	F1	A-1
Long term	A	A

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 "*Description of 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 Swedish FSA'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 "ÅRKL")) 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 ÅRKL as well as the Swedish FSA'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.

Regulatory framework

The Issuer's activities are regulated by, *inter alia*, the Swedish Companies Act (*aktiebolagslagen (2005:551)*), the Swedish Banking and Financing Business Act (*lagen (2004:297) om bank- och finansieringsrörelse*) and its articles of association. As a banking company, the Issuer is subject to the supervision of the Swedish FSA and regulated by, *inter alia*, the Swedish Deposit Insurance Act (*lagen (1995:1571) om insättningsgaranti*) and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies as well as the Swedish FSA's Regulatory Codes (which includes its regulations and general guidelines) and guidelines issued by the European Banking Authority.

The Issuer is further subject to the provisions set forth in the CRR as amended by CRR II, and in the Swedish Supervision of Credit Institutions and Investment Institutions Act (*lagen (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*) and the Swedish Act on Capital Buffers (*lagen (2014:966) om kapitalbuffertar*) which implements CRD IV as amended by CRD V.

In addition, the Issuer is subject to the BRRD and the Swedish Resolution Act.

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.

THE BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS

Board of directors

The Board of the Issuer consists of seven members elected by the General Meeting of Shareholders. Under Swedish law, trade union organisations are entitled to representation on the Board and have in addition appointed two Board members and two deputies. The table below sets forth the name and current position of each Board member as of the date of this Prospectus.

Name	Position	Board member since
Ann Krumlinde Hyléen	Chairman	2018, Chairman of the board since 2020
Anna-Karin Celsing	Board Member	2014
Johan Trolle-Löwen	Board Member	2011
Ole Laurits Lønnum	Board Member	2020
Lars-Johan Merin	Board Member	2020
Johan Nordenfalk	Board Member	2022
Lars Sjögren	Board Member	2023
Anders Nilsson	Board Member, Employee Representative	2019
Hans Broberg	Board Member, Employee Representative	2012

Ann Krumlinde Hyléen

Born 1962. Chairman of the Board since 2020 and Board member since 2018.

Principal education: Degree of Master of Science in Business and Economics.

Other on-going principal assignments: Chairman of the board of Skabersjö Gods AB, Nordic Climate Group AB, Nordic Climate Group Holding AB, Consolid Equity Investments AB. Board member of Väderstad AB, Re&Go AB, NCG Group AB, Perfect and Moon Bay AB.

Anna-Karin Celsing

Born 1962. Board member since 2014.

Principal education: Degree of Master of Science in Business and Economics.

Other on-going principal assignments: Board member of Castellum Aktiebolag, Volati AB, Lannebo Fonder AB, OX2 AB (publ), Peas Industries AB, KLOB i Stockholm AB, Svensk husproduktion AB, Stiftelsen Beckmans Designhögskola, Tim Bergling Foundations, Stiftelsen Orienteatern.

Johan Trolle-Löwen

Born 1959. Board member since 2011.

Principal education: Degree of Master of Science in Engineering.

Other on-going principal assignments: Chairman of the board of Kopparfors Skogar AB. Board member of Hargs Bruk Aktiebolag and Bergvik Skog Väst AB. Board member and CEO of Sjösa Förvaltnings AB and Limmersvik Aktiebolag.

Ole Laurits Lønnum

Born 1971. Board member since 2020.

Principal education: Degree of Master of Science in Business and Economics.

Other on-going principal assignments: CEO of Landkreditt and Landkreditt Bank. Board member of Landkreditt Forsikring, Landkreditt Forvaltning, Landkreditt Boligkreditt and Landkreditt Eiendom.

Lars-Johan Merin

Born 1959. Board member since 2020.

Principal education: Degree in Agriculture and Rural Management.

Other on-going principal assignments: Chairman of the board of Fellingsbro Lager & Fastigheter AB and WinStaff AB. Board member of Oppegården Holding AB and Spannsam Växt AB.

Johan Nordenfalk

Born 1973. Board member since 2022.

Principal education: Master of Laws (LL.M.)

Other on-going principal assignments: Chairman of the board of Storsala AB (publ) and Finture AB. Board member and CEO of Blekhems Egendom AB. Board member of Skabersjö Gods AB.

Lars Sjögren

Born 1963. Board member since 2023.

Principal education: Master of Business Administration

Other on-going principal assignments: Chairman of the board of Sundfrakt AB. Board member of Lola Consulting AB.

Anders Nilsson

Born 1966. Board member, employee representative since 2019.

Principal education: -

Other on-going principal assignments: -

Hans Broberg

Born 1962. Deputy Board member, employee representative since 2012.

Principal education: Degree of Master of Science in Business and Economics.

Other on-going principal assignments: -

Senior Management

The Senior Management consist of a team of eight persons. The table below sets forth the name and current position of each member of the Senior Management as of the date of this Prospectus.

Name	Position	Member of Senior Management since
Per Lindblad	Chief Executive Officer	2018
Catharina Åbjörnsson Lindgren	Chief Commercial Officer Mortgages & Savings	2010
Stefan Malmström	Chief Commercial Officer Farming & Forestry	2021
Martin Kihlberg	General Counsel and Chief Sustainability Officer	2015
Mats Bergström	Chief Risk Officer	2022
Hanna Neidenmark	Chief Business Development Officer	2022
Tomas Uddin	Head of Strategic Communication	2012
Johan Ericson	Chief Financial Officer	2022

Per Lindblad

Born 1962. CEO since 2018.

Principal education: Degree in Agricultural Economics and Management.

Catharina Åbjörnsson Lindgren

Born 1971. Co-Chief Commercial Officer since 2010.

Principal education: Master of Laws (LL.M.).

Stefan Malmström

Born 1964. Co-Chief Commercial Officer since 2021.

Principal education: Degree of Science in Agricultural Economics and Management.

Martin Kihlberg

Born 1974. General Counsel and Chief Sustainability Officer since 2015.

Principal education: Master of Laws (LL.M.).

Mats Bergström

Born 1981. Chief Risk Officer since 2022.

Principal education: Degree of Master of Science in Commercial and Tax Law.

Hanna Neidenmark

Born 1981. Chief Business Development Officer since 2022.

Principal education: Degree of Business Administration.

Tomas Uddin

Born 1971. Head of Strategic communication since 2012.

Principal education: Degree of Bachelor of Science, major in Political Science.

Johan Ericson

Born 1972. Chief Financial Officer since 2022.

Principal education: Degree of Bachelor of Science Mathematics.

Conflicts of interest

As far as the Issuer is aware, there exist no conflicts of interest between the duties of the Board members or the members of the senior management in respect of the Issuer and their private interests and/or other duties.

Auditors

The auditors of the Issuer are Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, Sweden, represented by the auditor in charge Catarina Ericsson (Authorised Public Accountant) and Hampus Engzell (Authorised Public Accountant).

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.

Business address

The address for all Board members and members of the senior management is c/o the Issuer. 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.

LEGAL AND SUPPLEMENTARY INFORMATION

Information about the Prospectus

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

The validity of this Prospectus will expire no later than twelve months after the date of the approval of the Prospectus. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Notes was authorised by a resolution of the Board of the Issuer on 12 March 2024.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Material agreements

The Issuer has not entered into any material agreements outside the ordinary course of its business which could result in it being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders.

Governmental, legal and arbitration proceedings

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 Prospectus which may have, or have in had in the recent past, significant effects on the Issuer's and/or the Group's financial condition or profitability.

Certain material interests

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

Trend information

There has been no material adverse change in the prospects of the Issuer since 13 March 2024, being the date of publication of the last audited financial information of the Issuer. Furthermore, there has been no significant change in the financial performance of the Issuer or 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 this Prospectus.

Incorporation by reference

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

First Quarter Interim Report for 2024

(available for viewing at: [landshypotek-bank-interim-report-q1-2024-eng.pdf](https://www.landshypotek-bank-interim-report-q1-2024-eng.pdf)):

Income statement (p. 11), statement of comprehensive income (p. 11), balance sheet (p. 12), statement of changes in equity (p. 13), cash flow statement (p. 13), alternative performance measures (p. 27-28), notes (p. 14-26).

Annual Report for 2023

(available for viewing at: <https://www.landshypotek.se/globalassets/dokument/finansiell-info/finansiella-rapporter/landshypotek-bank---annual-report-2023.pdf>)

Income statement (p. 34), statement of comprehensive income (p. 35), balance sheet (p. 36), statement of changes in equity (p. 37), cash flow statement (p. 38), alternative performance measures (p. 40-41), notes (p. 42-81) and auditor's report (p. 107-110).

Annual Report for 2022

(available for viewing at: https://www.landshypotek.se/globalassets/dokument/finansiell-info/finansiella-rapporter/landshypotek-bank---annual-report-2022_eng.pdf):

Income statement (p. 58), statement of comprehensive income (p. 59), balance sheet (p. 60), statement of changes in equity (p. 61), cash flow statement (p. 62), alternative performance measures (p. 64-65), notes (p. 66-105) and auditor's report (p. 106-108).

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

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

Documents available

During the term of this Prospectus, the following documents are available at the Issuer's website:

- the Issuer's articles of association¹;
- the Issuer's certificate of registration;
- the Issuer's annual reports; and
- the Terms and Conditions of the Notes.

¹ <https://www.landshypotek.se/globalassets/dokument/bolagsstyrning/bolagsordning-2014.pdf>

ADDRESSES

The Issuer

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Visiting address

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www.landshypotek.se

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www.nordea.com

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www.sebgroup.com

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Legal Adviser to the Issuer

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The Agent

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Auditor to the Issuer

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