



## **PROSPECTUS**

### **SVEA BANK AB SEK 300,000,000 PERPETUAL ADDITIONAL TIER 1 CAPITAL BONDS ISIN: SE0021150737**

*This Prospectus has been approved by the Swedish Financial Supervisory Authority on 18 April 2024 and is valid for a maximum of twelve (12) months from this date, provided that it is completed by any supplement required pursuant to Article 23 of the Prospectus Regulation. 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the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.*

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**Sole Bookrunner and Issuing Agent:  
DNB Bank ASA, Sweden Branch**

**18 April 2024**

## Important Information

This prospectus (the “**Prospectus**”) has been prepared by Svea Bank AB, Reg. No. 556158-7634 (the “**Company**”, the “**Issuer**” or “**Svea Bank**”), in relation to the application for listing of the SEK 300,000,000 Perpetual Additional Tier 1 Bonds (the “**Bonds**”) on the Corporate Bond List on Nasdaq Stockholm Aktieföretag (“**Nasdaq Stockholm**”). DNB Bank ASA, Sweden Branch, has acted as financial advisor to the Company in connection with the applying for admission of trading of the Bonds. This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the “**Regulation**”) and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004 (the “**Delegated Regulation**”). The Regulation and the Delegated Regulation are jointly referred to as the “**Prospectus Regulation**”.

The Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**Swedish FSA**”) as the competent authority under the Regulation. The Swedish SFA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Bonds that are subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of admitting the Bonds to trading on Nasdaq Stockholm. This Prospectus may not be distributed in the US, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction where such distribution or disposal requires an additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”), as amended, or under any U.S. state law, and may be subject to obligations under U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in rule 902 of Regulation S in the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or under any U.S. state law and will not provide any exchange offer for the Bonds in the future. The Company has also not registered the Bonds under any other country’s laws. It is the investor’s obligation to ensure that offers and sales of the Bonds are consistent with all applicable laws.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditor. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

The Bonds may not be an appropriate investment for all investors and it is up to each prospective investor to determine the appropriateness of the investment in the light of their own situation. Each investor should (i) have sufficient knowledge and experience to make an adequate evaluation of the Bonds, the benefits and risks of investing in the Bonds, and the information contained in this Prospectus or information referred to in this Prospectus or any appropriate supplement information herein; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, on the basis of their own financial situation, an investment in the Bonds and the influence of other Bonds on the overall investment portfolio; (iii) have sufficient financial resources and liquidity to manage all risks associated with investment in the Bonds; (iv) completely understand the Terms and Conditions, and (v) have the ability to assess (either on their own or with the help of a financial advisor) various conceivable scenarios regarding financial conditions, interest rates, and other factors that may affect the investment and the ability to manage related risks.

As at the date of this Prospectus, the Swedish Financial Benchmark Facility AB (“**SFBF**”), which provides STIBOR, appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

This Prospectus has been produced in an English language version only.

## Forward-looking statements

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company’s management or are assumptions based on information available to the Company or other members of the Group (as defined below). The words “consider”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts of or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Company’s operations. Such factors of a significant nature are mentioned in the section “*Risk Factors*”.

## TABLE OF CONTENTS

<b>Definitions</b>	<b>4</b>
<b>Risk Factors</b>	<b>5</b>
<b>Statement of Responsibility</b>	<b>26</b>
<b>The Bonds in Brief</b>	<b>27</b>
<b>Information about Svea Bank and its business</b>	<b>34</b>
<b>Risk management organization and corporate governance</b>	<b>35</b>
<b>Documents incorporated by reference</b>	<b>41</b>
<b>Complete Terms and Conditions</b>	<b>43</b>
<b>Addresses</b>	<b>80</b>

## **Definitions**

<b>Agent</b>	means Intertrust (Sweden) AB, a limited liability company with Reg. No. 556625-5476.
<b>Arranger</b>	means DNB Bank ASA, Sweden Branch, a limited liability company with Reg. No. 516406-0161.
<b>Bondholder</b>	means a person who is registered on a securities account as a creditor or otherwise entitled to receive payment pursuant to the Bonds.
<b>Bonds</b>	means the perpetual additional tier 1 bonds with ISIN SE0021150737.
<b>Euroclear Sweden</b>	means Euroclear Sweden AB, a limited liability company with Reg. No. 556112-8074.
<b>Group</b>	means Svea Bank AB and its subsidiaries, from time to time.
<b>Issuing Agent</b>	means DNB Bank ASA, Sweden Branch.
<b>Nasdaq Stockholm</b>	means the Corporate Bond List on Nasdaq Stockholm Aktiebolag.
<b>Prospectus</b>	means this prospectus, including any documents incorporated by reference.
<b>SEK</b>	means the lawful currency in Sweden.
<b>Svea Bank, the Issuer or the Company</b>	means Svea Bank AB, a public limited liability company with Reg. No. 556158-7634.
<b>Swedish Companies Act</b>	means the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i> ).
<b>Terms and Conditions</b>	means the terms and conditions for the Bonds.

## **Risk Factors**

*In this section, the risk factors which the Company considers to be material risks relating to the Company and the Group are illustrated. The Company'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 assessment of the materiality of each risk factor is illustrated with a rating of low, medium or high. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus.*

*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.*

*Terms defined in the Terms and Conditions shall have the same meaning when used herein.*

### **Risks relating to the Group**

#### ***1.1.1 Risks associated with the Issuer's financial situation***

##### **1.1.1.1 Liquidity and funding risk**

Liquidity risk is the risk that the Issuer is unable to fulfil its commitments or is only able to fulfil its commitments by borrowing cash and cash equivalents at a significantly higher cost, due to insufficient cash and cash equivalents currently held.

The Issuer's lending to the public is financed to a not insignificant extent through deposits from the public, but also through its own operations, other credit institutions and subordinated debts. The risks in the supply of liquidity consist primarily of the risk of the Issuer not attracting sufficient volume of deposits. The risk may arise in a situation where net withdrawals are larger than desired or when increased deposit volumes are desired in order to finance further lending and other payments. Increased net withdrawals may result from price competition or negative rumours about the Issuer, other banks or credit institutions or the financial system in general. A failure by the Issuer to attract a sufficient volume of deposits, improve the liquidity situation through asset sales or borrowing funds at reasonable costs could have a material adverse effect on the Issuer's operations.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be high.

##### **1.1.1.2 Interest rate risk**

Interest rate risk is the risk that the Issuer's current and future net interest deteriorates due to an unfavourable change in the market. Interest rate risk arises when the interest rates cannot be changed simultaneously on the funding and lending sides. A deterioration of the Issuer's net interest due to an unfavourable and significant change in the Issuer's funding costs (which is not a result of a change in the market rates) could have a material adverse effect on the Issuer's financial position and results of operations.

The Issuer estimates that the impact on the net interest income of the Group over the next twelve-month period, with a rise/fall in interest rates by 1 percentage point, amounts to +/- SEK 27,157, 719 based on all interest-bearing assets and liabilities as of 31 December 2023.

The Company considers that the probability that the abovementioned risks materialise to be high. If the risks would materialise, the Company considers the potential negative impact to be low.

### **1.1.1.3 Investments**

All investments involve uncertainties which may lead to increased costs or decreased income for the Issuer.

A part of the Group's business is the acquisition of portfolios of non-performing loans. For example, in June 2018, the Issuer acquired a SEK 850,000,000 portfolio of non-performing loans in Norway, Finland and Denmark and in November 2020, the Issuer acquired a SEK 863,000,000 portfolio of unsecured personal loans from Bluestep Bank AB. Furthermore, the Issuer reached an agreement to take over operations from Nordea and DNB Bank ASA in Norway relating to factoring business during the spring 2023 and has entered into an agreement with Intrum Suomi Oy regarding acquisition of all shares in Intrum Rahouitas Oy. There is a risk that the investments are not developing as planned, which especially applies to investments in portfolios of non-performing loans in eastern and central Europe due to currency effects. This may have an adverse impact on the Issuer's operations and financial condition. In addition, the Issuer operates in Sweden, Finland, Norway, Denmark, Estonia, Latvia, the Netherlands, Switzerland, Austria, Germany and large parts of Eastern Europe (including Ukraine and Russia) and the Issuer's portfolios may vary over time. Limited access to information or incorrect assessment of available information may lead to that attractive assets are disposed of whereas less attractive assets may be acquired or not be disposed of. This risk is particularly prevalent as the Issuer continually investigates opportunities to make new acquisitions and thus exposes itself to investment related risk. If attractive assets were to be disposed of or less attractive assets were to be acquired the market value of the portfolios of the Issuer could decrease which may have a negative effect on the Issuer's financial position and result.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

### **1.1.1.4 Risks relating to the Issuer being dependent on its subsidiaries**

The Issuer is the parent company in the Group and is to some extent dependent on its subsidiaries which are integrated in the Issuer's business. The Issuer's operations and earnings are affected by the results and operations of its subsidiaries. Failure in performance by the Issuer's subsidiaries and/or limitations or restrictions on the transfer of funds between companies within the Group may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Bonds. Also, the Bonds are structurally subordinated to its subsidiaries' creditors. As a consequence thereof and given that the Issuer is to some extent dependent on its subsidiaries' results and operations, in the event of the Issuer's liquidation (Sw. likvidation) or bankruptcy (Sw. konkurs), each Bondholder's amount received will to some extent be affected by the subsidiaries' result and their rights, under existing financial arrangements, to transfer funds to the Issuer by way of e.g. dividends.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

### **1.1.2 Risks associated with the Issuer's business and industry**

#### **1.1.2.1 Credit and counterparty risk**

Credit risk is the failure of any customer or counterparty to fulfil its payment obligations to the Issuer. Credit risk is primarily attributable to lending/financing to customers, while a counterparty risk arises when the Issuer's performance is other than pure lending/financing. In financial management, credit risk consists primarily of the Issuer's counterparties being unable to meet their obligations towards the Issuer, for instance in connection with financial derivatives in the form of outstanding positive market value, which depends on market factors.

Inflation levels have been high during 2022 and 2023 and are anticipated to remain high. This can, in the long term, affect the customer's ability to repay loans, and thus affect the credit losses of the Group. In addition, inflation has led to higher costs for the Issuer which have not been fully compensated by higher prices towards customers and the Issuer's credit losses has increased during 2023 compared to 2022. In the short term, this can lead to lower profitability for the Issuer. In addition, a counterparty to whom the Issuer has a significant exposure towards, has become insolvent and the expected credit loss for the Issuer will be significant. This is expected to increase the level of credit losses for the Issuer by 1 percentage point on an annual basis.

Adverse changes in the credit quality of the Issuer's customers or other counterparties could affect the recovery and value of the Issuer's assets and require an increase in provisions made for bad and doubtful debts and other provisions and could consequently adversely affect the Issuer's earnings and financial position.

The Company considers that the probability that the abovementioned risks materialise to be high. If the risks would materialise, the Company considers the potential negative impact to be high.

#### **1.1.2.2 The Group has existing business operations in Russia**

Russia invaded Ukraine in 2022 and the war is still on-going as per the date of this Prospectus. Given that the Group has operations in Russia (comprising of acquisitions of non-performing loan portfolios and collection services, which employs several hundreds of employees), and that the Russian authorities have implemented restrictions with respect to divestments of such business the most significant risk in respect thereof is that the value of the Russian business is damaged by further restrictions or other intervention implemented by Russian authorities. Further, the Group relies, among other things, on its brand to maintain and attract new customers, partners and employees as further described below under risk factor "Negative publicity". Any negative publicity or announcement relating to the Group's operations in Russia may, whether or not it is justifiable, deteriorate the brand value and have a negative effect on the inflow of deposits, net sales, earnings and financial position of the Group.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be high.

### **1.1.2.3 Currency risk**

Currency risk is the risk that the Issuer will suffer losses due to adverse currency movements. Foreign exchange rate risk also involves the risk that the estimated fair value of, or future cash flows from, a financial instrument fluctuate because of changes in foreign exchange rates. The Issuer is exposed to foreign exchange rate risk mainly from Euro (EUR), U.S. dollar (USD), Norwegian Krone (NOK) and Danish Krone (DKK). The Issuer is to some extent exposed to Russian Ruble (RUB), which historically have exhibited a more volatile behaviour than the aforementioned currencies. As a result of the on-going war in Ukraine, the volatility of RUB has materially increased. The Issuer has therefore set aside SEK 400,000,000 as of 31 December 2023 in respect of the pillar 2 capital adequacy requirement, regarding the currency risk related to RUB.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. This means that the Issuer is exposed to exchange differences. Adverse exchange rate movements could have a material adverse effect on the Issuer's financial position and results of operations.

The Company considers that the probability that the abovementioned risks materialise to be high. If the risks would materialise, the Company considers the potential negative impact to be medium.

### **1.1.2.4 Dependency on key personnel**

The Issuer is dependent upon a number of key employees whom have together developed the efficient day-to-day operations and systems within the Group. Should such key personnel leave the Group in the future or take up employment with a competing business, and not be adequately replaced with new qualified personnel, it could have a negative effect on the Issuer's operations, earnings and financial position.

The Issuer's future success depends in part on its ability to hire, assimilate and retain highly qualified personnel, particularly the senior management team and key individuals. Competition for highly qualified management remains intense in the industries and regions in which the Issuer operates. If the Issuer is unable to attract and retain members of its senior management team, key employees or other qualified personnel, this could negatively affect the Issuer's operations, financial position and earnings and in turn the performance of the Issuer under the Terms and Conditions.

The Company considers that the probability that the abovementioned risks materialise to be high. If the risks would materialise, the Company considers the potential negative impact to be medium.

### **1.1.2.5 Negative publicity**

The Issuer relies, among other things, on its brand to maintain and attract new customers and employees. Any negative publicity or announcement relating to the Group may, whether or not it is justifiable, deteriorate the brand value and have a negative effect on the inflow of deposits, net sales, earnings and financial position which in turn may negatively affect the performance of the Issuer under the Terms and Conditions. This risk has further increased in light of the Company's operations in Russia following the invasion of Ukraine in 2022, as further described above under risk factor "The Group has existing business operations in Russia".



The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.2.6 Risk relating to the macroeconomic environment**

The Group's business is subject to inherent risks arising from general and sector-specific economic conditions. A deterioration in economic conditions globally and in the markets in which the Group operates, including, but not limited to business and consumer confidence, unemployment, household disposable income, the state of the housing market, consumer travel patterns, foreign exchange markets, counter-party risk, inflation, the availability and cost of credit, the liquidity of global financial markets, market share prices, or market interest rates may reduce the level of demand for the products and services of the Group. This may adversely affect the earnings the Group can achieve on its products and lead to reduced revenue and increased levels of impairment charges. The aforementioned factors may materially and adversely impact the Issuer's operating results, financial condition and prospects.

The exact nature of the risks faced by the Issuer in relation to the macroeconomic environment is difficult to predict and guard against in view of the fact that many of the related risks to the business are totally, or in part, outside the control of the Issuer.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.2.7 Market risk**

Market risk is the risk of loss resulting from changes in interest and foreign exchange rates and equity prices or other market related instruments. The Issuer has a part of its excess liquidity in listed equities and fluctuations in the equity market could therefore have an adverse effect on the issuers result. Fluctuations in the debt, foreign exchange or equity markets may affect the market value and liquidity of the Issuer's assets. In addition, the occurrence of such events may have an adverse impact on the revenue generated from the Issuer's primary activities.

The Issuer estimates that the impact on the equity position of the Group, with a 10 per cent. increase/decrease in valuation of the Group's equities and shares, amounts to +/- SEK 388,472,000 based on the Group's holdings as of 31 December 2023.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.2.8 Operational risks**

Operational risk arises from human errors and system faults, insufficient or defective internal procedures or external events, to which the Company is exposed. Operational risk also includes risk pertaining to reputation and strategy as well as legal risk. Deficiencies or errors in internal processes and control routines, human errors, or external events that affect operations may occur. This could result in a material adverse effect on the Issuer's financial position, business, products and services it offers or its assets.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.2.9 Risk Management**

Operating within the banking sector and offering financial products and services involves taking calculated risks. The risks related to these products and services are taken deliberately and shall be reflected in, and covered by, the prices offered to the customers. Significant risks that the Issuer is exposed to are credit and counterparty risk, market risk, strategic risk, risks relating to disruptions in the global credit markets and economy, liquidity risk, operational risk, regulatory risk and competition and business risks, as set out below. Any failure by the Group to implement appropriate systems and controls to mitigate such risks could adversely affect the Issuer's operating results, financial condition and prospects.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be high.

#### **1.1.2.10 Agreements with business partners**

The Issuer is dependent on certain agreements entered into with business partners within the framework of the Issuer's payment service Webpay. If the Issuer's business partners are unable to fulfil their obligations with respect to the Webpay payment service, the Issuer's operations, financial position and result may be adversely affected.

Furthermore, the Company is a monetary policy counterparty to the Swedish Central Bank (Sw. *Sveriges Riksbank*) and a member of the RIX-system. The Company's relationship with the Swedish Central Bank and access to the RIX-system is critical for the Company's operations. If the Company would lose access to the RIX-system, it would have severe adverse consequences on the Company's operations and business.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be high.

#### **1.1.2.11 Anticipated benefits of existing and potential future mergers, acquisitions, joint ventures or strategic alliances may not be realised**

The Issuer may, from time to time, acquire or divest businesses or interests in businesses, including non-controlling interests, or form joint ventures or create strategic alliances, for example the Issuer's acquisitions of the shares in the Swedish company MoneyGo AB and of 90 per cent. of the shares in the Finnish company Maksturva Group OY. Whether the Issuer realises the anticipated benefits from each transaction depends, in part, upon the integration between the businesses involved, the performance and development of the underlying products, capabilities or technologies, the Issuer's correct assessment of assumed liabilities and the management of the operations in question. Accordingly, the Issuer's financial results could be adversely affected by unanticipated performance and liability issues, transaction-related charges, amortisation related to intangibles, warranties, charges for impairment of long-term assets and partner performance, which could affect the performance of the Issuer under the Bonds.

The Issuer is constantly evaluating add-on acquisitions. There is a risk that some acquisitions do not develop as planned or benefit the Issuer's operations as anticipated prior to the acquisition. Dilution of a company's brand, lack of understanding of the target company's business and many other factors in connection with corporate acquisitions may prevent post integration-plans from being properly executed. If any of the above risks were to materialize, it could have a material adverse effect on the Issuer's business, financial condition and results of operations and in turn the performance of the Issuer under the Terms and Conditions.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be low.

#### **1.1.2.12 Dependency on loan brokers**

A considerable part of the Group's new customers are currently directed to it from external third-party sources, primarily loan brokers or providers of interest rate comparison services. The Group's agreements with the loan brokers may in most cases be terminated on short notice. Should such external parties, including third-party banks enabling the Issuer's transactions, for any reason, cease to cooperate with the Group, it could substantially affect the inflow of new customers to the Issuer resulting in a material adverse effect on the Issuer's financial position and results of operations.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

### **1.1.3 *Legal and regulatory risk***

#### **1.1.3.1 Regulatory risk**

The Issuer's operations are subject to legislation, regulations, codes of conduct and government policies in the jurisdictions in which it conducts business and in relation to the products it markets and sells. Regulatory authorities have broad jurisdiction over many aspects of the Issuer's business, marketing and selling practices, advertising and terms of business. In the aftermath of the global financial crisis and continuing thereafter, many initiatives for regulatory changes have been taken and this impacts the regulatory situation for the financial industry. Thus, financial services laws, marketing laws (including restrictions on the marketing of consumer loans and co-operations with external parties, e.g. loan brokers), laws on enforcement and seizure (including changes to legislation on wage garnish or other measures to recover defaulted loans), regulations, codes of conduct, government policies and/or their respective interpretations currently affecting the Issuer may change and it cannot predict future initiatives or changes.

There is a risk that the Issuer's financial performance will be adversely affected should unforeseen events relating to regulatory risk arise in the future, which may materially and adversely affect, amongst other things, the Issuer's product range and activities, the sales and pricing of its products, the Issuer's profitability, solvency and capital requirements and may give rise to increased costs of compliance.

The Issuer's business is heavily regulated and is supervised by the Swedish FSA (Sw. *Finansinspektionen*). Although the Issuer has a risk and compliance function in place, there is a risk that the Issuer will not be in compliance with all relevant regulation at all times. Should the Swedish FSA consider that the operations of the Issuer are not sound or that the Issuer is otherwise in breach

of laws or regulations that apply to it, the Swedish FSA may impose administrative sanctions on the Issuer, such as disciplinary reprimands, warnings, fines and order to take remedial action. The Swedish FSA may also revoke the Issuer's licence to engage in financing business. For example, a revocation of the Issuer's licence as a credit institution would require the Issuer to enter into liquidation if no exemption is granted; such scenario would materially affect the Issuer's ability to repay the Bonds. In addition, the Group is to material extent dependent on deposits from private persons which rely on the state-provided guarantee of deposits, also known as the deposit insurance (Sw. *insättningsgaranti*). If the regulations relating to deposits insurance were to change with the effect that the customers of the Group would not be covered by the deposit insurance, it could have a material negative effect on the Issuers operating results, financial condition and prospects and thus also Issuer's ability to repay the Bonds.

The Issuer has received a sanction from the Swedish FSA due to deficiencies in the credit processes for consumers of unsecured personal loans, consisting of a remark (Sw. *anmärkning*) and an administrative fee of SEK 45,000,000. The decision was appealed to the administrative court of Stockholm (Sw. *Förvaltningsrätten i Stockholm*) by the Issuer. The administrative court upheld the appeal. The Swedish FSA has appealed the judgement by the administrative court of Stockholm and is now awaiting leave to appeal (Sw. *prövningstillstånd*) by the Administrative Court of Appeal in Stockholm (Sw. *Kammarrätten i Stockholm*). If the appeal is granted leave and the appeal is upheld, this will result in that the Issuer has to pay the penalty fee of SEK 45,000,000 and may also result in reputational damage unless the Issuer chooses to appeal such decision and is successful in such appeal.

Furthermore, the Issuer has been prohibited by the Swedish Consumer Agency (Sw. Konsumentverket) to include penalty fees for delays on invoices from the Issuer to consumers, which has been made subject to a conditional fine (Sw. *vite*) which would become payable if the Issuer is to breach the prohibition, a decision which was established by the Patent and Market Court (Sw. Patent- och markandsdomstolen) through judgments. The Issuer appealed the judgment to the Supreme Court (Sw. *Högsta domstolen*) which upheld the appeal and remitted the case back to the Patent and Market Court which will re-examine the case based on an alternative claim. This could result in additional costs and reputational damage for the Issuer in the case of an adverse judgement in the Patent and Market Court.

In addition, the Issuer's subsidiary MoneyGo received a warning, together with a penalty fee of SEK 10,000,000, by the Swedish Consumer Agency, due to lack of compliance relating to its routines for credit assessment of its customers. The decision was appealed to the Administrative Court of Karlstad (Sw. *Förvaltningsrätten i Karlstad*). The court upheld the appeal and the Swedish Consumer Agency has not been granted leave to appeal by decision on 23 November 2023 (which decision can be appealed). MoneyGo is awaiting that the judgement is gaining legal force.

It shall also be noted that an increased cost pressure with respect to legal and regulatory compliance may affect the Issuer's earnings and financial position. If any of the above sanctions materialise following the appeal-processes or if any new sanctions are imposed, it may have a negative effect on the Issuer's business, financial position and results.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

### 1.1.3.2 Regulatory capital requirements

The Basel Committee on Banking Supervision has published guidelines for capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions and the minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability (the “**Basel III Framework**”). The aim of the framework is, among other things, to improve the ability of credit institutions to absorb shocks arising from financial and economic stress. The framework raises both the quality and quantity of the capital base and increases capital requirements for certain positions. The framework also introduces buffer requirements in the form of both a capital conservation buffer, a countercyclical capital buffer and additional capital buffers for systemic importance, which may be on a global, European or domestic basis. The regulatory framework will continue to evolve, and any changes could have a material impact on the Issuer’s business.

At the EU level, changes corresponding to the Basel III Framework have been made in the form of (i) a directly applicable European Parliament and Council Regulation establishing the prudential requirements for credit institutions and investment firms (known as the Capital Requirements Regulation or “**CRR**” (Regulation (EU) No 575/2013), as amended by e.g. Regulation (EU) 2019/876 (“**CRR II**”)) and (ii) a European Council Directive governing access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (known as “**CRD IV**” (Directive 2013/36/EU, as amended by e.g. Directive (EU) 2019/878 (“**CRD V**”))). Recent changes include the introduction of a so-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 binding Pillar 2 requirement.

Furthermore, the conditions of the Issuer’s business as well as external conditions are constantly changing. For the foregoing reasons, the Issuer and/or its consolidated situation may be required to raise additional regulatory capital (including e.g. following future SREP for the Issuer and the associated P2G as determined by the SFSF in connection therewith) and such changes could result in the Issuer’s and/or its consolidated situation’s existing regulatory capital ceasing to count either at the same level as present or at all. Any failure by the Issuer and/or its consolidated situation to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on the Issuer’s profitability and results and may also have other effects on the Issuer’s financial performance and on the pricing of the Bonds, both with or without the intervention by regulators or the imposition of sanctions. Any market perception or concern regarding compliance with future capital adequacy requirements, could increase the Issuer’s and the Group’s borrowing costs and limit its access to capital markets, which could have a material adverse effect on results of operations, financial condition and liquidity.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

### 1.1.3.3 The Bank Recovery and Resolution Directive

The EU Directive 2014/59/EU, known as the Bank Recovery and Resolution Directive (“**BRRD**”), as amended by Directive (EU) 2019/879 (“**BRRD II**”) supplements the CRR II and CRD V

legislative package. The BRRD was implemented in Sweden mainly by way of the new Swedish Resolution Act (Sw. lag (2015:1016) om resolution) which entered into force on 1 February 2016. The purpose of the BRRD legislative package is to harmonise national rules on bank recovery and resolution, providing authorities, including the Swedish FSA, with common tools and powers to address banking crises proactively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

National resolution authorities (the National Debt Office (Sw. *Riksgälden*) for Sweden), in consultation with competent authorities, are required to prepare resolution plans setting out how a firm might be resolved in an orderly fashion and its essential functions preserved, if it were to fail. This includes the potential application of resolution tools and powers, as well as options for ensuring the continuity of critical functions. The resolution tools and powers referred to above which may be used, alone or in combination, include amongst other things, a sale of business tool - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms and a general bail-in tool - which gives resolution authorities the power to write-down all or a portion of the principal amount of, or interest on, certain other eligible liabilities (which could include the Bonds), whether subordinated or unsubordinated, of a financial institution in resolution and/or to convert certain unsecured debt claims (which could also include the Bonds) into another security, including common equity tier 1 instruments of the surviving entity, which equity could also be subject to any further application of the general bail-in tool. The Member State may also as a last resort provide extraordinary public financial support through public equity support and temporary public ownership tools. Moreover, in addition to the general bail-in tool, the BRRD legislative package provides for relevant authorities to have the further power, before any other resolution action is taken, to permanently write-down or convert into equity relevant capital instruments such as the Bonds at the point of non-viability (see the risk factor "Loss absorption and write down" below for further information).

The powers set out in the BRRD will impact how credit institutions are managed as well as, in certain circumstances, the rights of creditors. Holders of debt instruments (such as the Bonds) may be subject to write-down or conversion into equity on any application of the general bail-in tool and non-viability loss absorption, which may result in such holders losing some or all of their investment. However, as the Issuer has not been deemed to constitute a systemically important institution by the National Debt Office at the date of this Prospectus, the Issuer would currently not, as a main rule, be subject to resolution, and subsequently not of the resolution tools and powers, in the event of financial difficulties of the Issuer.

Furthermore, to ensure that banks always have sufficient loss-absorbing and recapitalisation capacity, the BRRD requires firms to maintain at all times a sufficient aggregate amount of own funds (as defined in Article 4(1)(118) of the CRR) and eligible liabilities (as defined in Article 2(1)(71a) of the BRRD namely, liabilities that may be bailed-in using the bail-in tool). This is known as the minimum requirement for own funds and eligible liabilities or MREL. The minimum requirement is calculated as the amount of own funds and eligible liabilities expressed as a percentage of the total risk exposure amount calculated in accordance with Article 92(3) of the CRR and the total exposure measure calculated in accordance with Articles 429 and 429a of the CRR. In accordance with the decision of MREL-levels for the year beginning 1 January 2022 by the National Debt Office, the MREL of the Issuer does not currently exceed the capital requirements required by CRR II and CRD V.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

#### **1.1.3.4 Legal disputes, claims and investigations**

Claims or legal actions may now or in the future be taken against the Issuer. The Issuer may also be subject to criminal investigations and regulatory investigations and actions relating to, for example, protection of personal data legislation. Disputes, claims, investigations and actions of these types may be time-consuming, disturb normal operations, involve large sums of money, have a negative impact on customer relationships and result in both administrative and legal sanctions and measures that entail significant expenses. The outcome of such proceedings may not correspond to the way the outcome is perceived by the market, and the Issuer's reputation may be impacted in a way which adversely affects its results of operations and financial position.

Given that the bank sector which the Issuer operates in is highly regulated there is a risk that the Issuer may be subject to and that future disputes, claims, injunctions, investigations and actions results in costs for the Issuer which may have significant unfavourable effects on the Issuer's financial position, performance, market position and pricing of the Bonds.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.3.5 Risks related to money-laundering**

Although the Issuer works proactively to prevent itself from being utilized for money laundering purposes, there is a risk that the Issuer and/or the Group fails to protect its business against money laundering.

The Issuer is currently subject to a supervisory investigation by the Swedish FSA, which was initiated in May 2023. The investigation relates to the Issuer's compliance with regulatory requirements regarding measures against money laundering and terrorist financing. The Issuer is one of three Swedish banks that are subject to corresponding investigations, and the investigations are being carried out as part of the Swedish FSA's ordinary supervisory procedure and have not, to the Issuer's awareness, been prompted by any specific event or circumstance relating to the Issuer. The Issuer has provided information to the Swedish FSA as requested and has also participated in a meeting with the Swedish FSA in July 2023. According to the ordinary procedure for investigations such as this, the Swedish FSA has shared its observations and preliminary assessments with the Issuer and provided the Issuer opportunity to provide comments and clarifications regarding these. The Issuer intends to respond to the Swedish FSA's observations and preliminary assessments, and in other aspects continue to cooperate in the remainder of the investigation. The Swedish FSA has not expressed any definitive position as to any regulatory deficiencies by the Issuer as per the current stage of the procedure, and the ultimate outcome of the investigation and potential consequences for the Issuer is yet uncertain.

The Company is also subject to similar supervisory investigation by the Finnish Financial Supervisory Authority which during the fall 2023 initiated a review of the Company's subsidiary Svea Payments Oy. A site visit has been carried out in November 2023 and the review is expected to be completed in Q1 2024.

Furthermore, the Swedish FSA has initiated an AML-College in respect of the Group's operations in Sweden, Norway and Finland for the purpose of coordinating cross border supervisory inspections.

If the Issuer is in breach of money laundering legislation, the Swedish FSA (or corresponding authority in another country as applicable) may impose administrative sanctions on the Issuer, including fines and revocation of credit market license, which could have a material adverse effect on the Issuer's business and reputation.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be high.

#### **1.1.3.6 Personal data security risks**

The General Data Protection Regulation (Regulation (EU) 2016/679) (the "Regulation") has been adopted at EU level and, as of 25 May 2018 has replaced the Swedish Personal Data Act (Sw. personuppgiftslagen (1998:204)). The Regulation contains stringent sanctions for failure to comply with the rules. Among other things, the supervisory authority is given the right to impose administrative fines of up to EUR 20 million, or four per cent. of the Group's annual global turnover, if the Group breaches certain rules. Given the nature of the business that is being conducted by the Group, personal data is being handled to a large extent and any failure by the Group to comply with the Regulation would subject it to litigation, civil or criminal penalties and adverse publicity, which could affect the Groups operations, financial position and earnings.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.3.7 Taxes and charges**

The Issuer operates in several jurisdictions, both within and outside of the European Union, including the United States, Switzerland and Germany and conducts its business in accordance with its interpretation of applicable tax regulations and applicable requirements and decisions in all such jurisdictions. There is a risk that the Issuer's or its advisers' interpretation and application of laws, provisions and judicial practice has been, or will at some point be, incorrect or that such laws, provisions and practice will be changed, potentially with retroactive effect. Given the Issuer's operations in several jurisdictions, the abovementioned risks are exponentially higher than if such operations should be conducted in one, or only a few jurisdictions. Further, future interpretations or developments of tax regimes may affect the Issuer's tax liability, return on investments and business operations. If any such event should occur, the Issuer's tax liabilities can increase, which could have a negative effect on its earnings and financial position.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.3.8 Intellectual property rights**

The Issuer is active under a number of brands whereby Svea Bank is the main brand as well as a number of supporting brands such as Svea Billing, Svea Webpay and many more. Failure to protect these brands and supporting brands names and other intellectual property rights or prevent their unauthorised use by third parties could have a material adverse effect on the Issuer's business. In addition, the Issuer faces the risk of claims that it is infringing third parties' intellectual property rights. Any such claim, even if it is without merit, could be expensive and time-consuming, could cause the Issuer to cease market itself under a certain brand or redesign certain brands and could



divert management time and attention. If any of the above risks were to materialize, it could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.3.9 Changes in legislation and accounting principles**

A number of legislations and regulations, taxes and rules, including applicable accounting principles, can affect the business conducted by the Group. As mentioned above, the Issuer operates in a large number of countries, both within and outside of the European Union, and due to this, the Issuer is subject to laws of several different jurisdictions. New or amended legislations and regulations could call for unexpected costs or impose restrictions on the development of the business operations or otherwise affect earnings, which could have an adverse effect on the Issuer's business and results of business operations. Given the Issuer's way of conducting business internationally, such risk is higher than if the Issuer had only operated in one or a few jurisdictions.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.3.10 Ownership**

The Issuer is currently controlled by one shareholder, whose interests may conflict with the Bondholders', particularly if the Issuer encounters difficulties or is unable to pay its debts as they fall due. The owner has the power to control all matters to be decided by vote at a shareholders' meeting and has the ability to appoint the board of directors of the Issuer. Furthermore, the owner may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in its judgment, could enhance its equity investments, although such transactions might involve risks to the Bondholders. There is nothing in the Terms and Conditions that prevents the owner or any of its affiliates from acquiring businesses that directly compete with the Issuer. If such event were to arise this may adversely affect the Issuer's operations, financial position and results.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.1.3.11 Corporate governance and internal control**

The Issuer is subject to the risk that executives may make decisions that are not consistent with the Group's strategies, internal guidelines and policy documents. Further, employees within the Group and other persons related to the Issuer, such as its partners, may perform acts that are considered unethical, are criminal (e.g. violation of applicable bribery and anti-corruption legislation) or otherwise contrary to applicable laws and regulations (e.g. non-compliance with applicable protection of personal data legislation) or the Issuer's internal guidelines and policy documents. If the Issuer's internal controls and other measures to ensure compliance with laws, regulations, internal guidelines and policy documents prove to be insufficient, the Issuer's reputation may be harmed or the Issuer may be affected by public law sanctions, including penalties or fines, which could negatively affect the Issuer's operations, financial position and earnings and in turn the performance of the Issuer under the Terms and Conditions.

The Company considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Company considers the potential negative impact to be medium.

## **1.2 Risks relating to the Bonds**

### ***1.2.1 Risks related to the nature and terms of the Bonds***

#### **1.2.1.1 The Issuer's obligations under the Bonds are subordinated**

The Bonds constitute unsecured, deeply subordinated obligations of the Issuer. The rights of the Bondholders to payment will, in the event of the liquidation of the Issuer be subordinated in right of payment to the claims of, inter alia, (i) any secured creditors of the Issuer, (ii) depositors of the Issuer, (iii) any other unsubordinated creditors of the Issuer, and (iv) any subordinated creditors of the Issuer whose rights are expressed to rank in priority to the holders of the Bonds (including holders of any tier 2 capital, including the Issuer's SEK 300,000,000 tier 2 subordinated floating rate notes issued in 2019 and the Issuer's SEK 300,000,000 tier 2 subordinated floating rate notes issued in 2020). The Bonds will however rank pari passu with (i) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital (including the Issuer's SEK 300,000,000 additional tier 1 capital bonds issued in April 2023) and (ii) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Bonds, 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.

No Bondholder 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 Bonds held by such Bondholder.

Although the Bonds may pay a higher rate of interest than comparable bonds which are not subordinated, or which are subordinated but not as deeply as the Bonds, there is a high risk that investors in the Bonds will lose all or some of their investment should the Issuer become insolvent or enter into insolvency proceedings.

Further, and as described in the risk factor "The Bank Recovery and Resolution Directive" above, there is a risk that the Bonds are written-down in a resolution scenario or at the point of non-viability of the Issuer.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be high.

#### **1.2.1.2 Loss absorption at the point of non-viability of the Issuer**

The Bondholders are subject to the risk that the Bonds may be required to absorb losses as a result of statutory powers conferred on resolution and competent authorities in Sweden (the National Debt Office and the Swedish FSA). As noted above in the risk factor "The Bank Recovery and Resolution Directive", the powers provided to resolution and competent authorities in the BRRD include write-down/conversion powers to ensure that relevant capital instruments (such as Bonds) 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 Common Equity Tier 1 Capital instruments at the point of non-viability and before any other bail-in or resolution tool can be used. Accordingly, the Bonds may be written down and the value of the nominal amount of the Bonds may be reduced to zero.

There is a risk that the application of any non-viability loss absorption measure results in the Bondholders losing some or all of their investment. Any such conversion to equity or write-down of all or part of an investor's principal (including accrued but unpaid interest) shall not constitute an event of default and any affected Bondholders will have no further claims in respect of any amount so converted or written down. 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 Bonds could be subject to such exercise, would therefore materially adversely affect the value of the Bonds.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.2.1.3 Perpetual Bonds with no specified maturity date**

The Bonds are perpetual obligations of the Issuer with no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Bonds at any time, except as set forth in the Terms and Conditions, and in any event, always subject to the prior approval of the Swedish SFA. The Bondholders will have no right to require the redemption of the Bonds except if a judgment is issued for the liquidation of the Issuer or if the Issuer is liquidated for any other reason.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.2.1.4 The Issuer's interests may not be aligned with those of investors in the Bonds**

The Common Equity Tier 1 Capital Ratio and Distributable Items and any relevant maximum distributable amount stipulated in the applicable capital adequacy regulation, will depend in part on decisions made by the Issuer and the Group relating to its businesses and operations, as well as the management of its capital position. The Issuer will have no obligation to consider the interests of Bondholders in connection with their strategic decisions and capital management. The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Trigger Event. Bondholders will not have any claim against the Issuer relating to decisions that affect the capital position of the Issuer or the Group, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause Bondholders to lose their investment in the Bonds.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.2.1.5 The Issuer is not prohibited from issuing further debt, which may rank pari passu or with priority to Bonds**

The Bonds are unsecured obligations of the Issuer and there is no restriction in the amount or type of debt that the Issuer may issue or incur that ranks, pari passu or with priority to Bonds. Should the Issuer incur any such debt, there is a risk that the amount recoverable by the Bondholders in the event of the voluntary or involuntary liquidation, bankruptcy or resolution of the Issuer may be reduced.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

#### **1.2.1.6 Exchange rate risks**

The Issuer will pay principal and interest on the Bonds in Swedish Kronor. This presents certain risks relating to currency conversions if a Bondholder's financial activities are denominated principally in a currency or currency unit other than Swedish Kronor (the "**Bondholder's Currency**"). Accordingly, a Bondholder is exposed to exchange rate risk if relevant exchange rates fluctuate significantly (including, but not limited to, fluctuations due to a devaluation of the Swedish Kronor or a revaluation of the Bondholder's Currency) or authorities with jurisdiction over the Bondholder's Currency impose or modify relevant exchange controls (if any), which could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

#### **1.2.1.7 Clearing and settlement in the CSD's account-based systems**

The Bonds are affiliated to CSD's account-based system, which means that no physical Bonds have been or will be issued. Clearing and settlement relating to the Bonds, as well as payment of interest and redemption of the principal amount of the Bonds, will be performed within CSD's account-based system. The investors are therefore dependent on the functionality of CSD's account-based system. If, due to any obstacle for CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Consequently, there is a risk that Bondholders receive payment under the Bonds later than expected.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

#### **1.2.1.8 Loss absorption following a Trigger Event**

If at any time the Common Equity Tier 1 Capital Ratio has fallen below 5.125 per cent., in the case of the Issuer, or 7.00 per cent., in the case of the Issuer Consolidated Situation, this constitutes a Trigger Event and the Total Nominal Amount of the Bonds shall be written down by an amount sufficient to restore the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Issuer Consolidated Situation to at least 5.125 per cent. or 7.00 per cent., as applicable. The write down of the Bonds is likely to result in a holder of Bonds losing some or all of its investment.

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 Bond may be written down on more than one occasion. Further, during any period when the then Nominal Amount of a Bond is less than the initial Nominal Amount, interest will accrue on and the Bonds will be redeemed at the reduced Nominal Amount of the Bonds.

The Issuer's and/or the Swedish FSA's calculation of the Common Equity Tier 1 Capital Ratio of the Issuer, and therefore its determination of whether a Trigger Event has occurred, shall be binding on the Bondholders, who shall have no right to challenge the published figures detailing the Common Equity Tier 1 Capital Ratio of the Issuer.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.2.1.9 Interest payments on the Bonds may be cancelled by the Issuer**

Any payment of interest in respect of the Bonds 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.

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 respect of any instruments ranking senior or junior to the Bonds. 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.

As a result of the above, there is a risk that the payment of interest is cancelled. Following any cancellation of interest as described above, Bondholders shall have no right thereto or to receive additional interest or compensation. Furthermore, no cancellation of interest in accordance with the Terms and Conditions shall constitute a default in payment or otherwise under the Bonds or entitle Bondholders to take any action to cause the Issuer to be declared bankrupt or apply for the liquidation, winding-up or dissolution of the Issuer. Accordingly, the amount of any interest may be reduced to zero.

After each cancelled payment of interest, the Bondholder's right to retrieve accrued interest payments after any such interest period shall cease and the Issuer will not have any continued obligation to pay such interest or interest on such payment of interest, regardless of whether payments of interest in respect of following interest periods are made, and such unpaid interest shall not be deemed to be "accumulated" or accrued for any purpose.

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

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

#### **1.2.1.10 Substitution or variation of the Bonds**

Subject to clause 10.4 (Early redemption, substitution or variation upon the occurrence of a Capital Disqualification Event or Tax) 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 Bondholders, elect to substitute or vary the terms of all (but not some only) outstanding Bonds for, or so that they become or remain, as applicable, Qualifying Securities if a Capital Disqualification Event or Tax Event occurs.

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

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

#### **1.2.1.11 The Issuer may redeem the Bonds on the occurrence of a Capital Disqualification 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 Bonds upon the occurrence of a Capital Disqualification Event or Tax Event at par together with accrued interest.

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

There is a risk that the Bondholders 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 Bonds.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

#### **1.2.1.12 The Terms and Conditions contains limited rights for the Bondholders or the Agent to accelerate the Bonds**

The Bonds shall constitute additional tier 1 capital of the Issuer. As such, the Terms and Conditions do not include any obligations or undertakings binding on the Issuer which if breached would give rise to a right of the Bondholders or the Agent to accelerate the Bonds. The Bondholders can only accelerate the Bonds if the Issuer is placed into liquidation. Hence, if the Issuer would default on any other obligation under the Terms and Conditions, for example if the Issuer would fail to ensure that

the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm within six (6) months from the Issue Date, the Bondholders would not be able to accelerate the Bonds or otherwise request prepayment or redemption of the nominal amount of the Bonds.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

#### **1.2.1.13 Bondholder representation and majority decisions by the Bondholders**

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

Additionally, under the Terms and Conditions certain majorities of Bondholders are entitled to make decisions and take measures that bind all Bondholders, including those who vote in a manner contrary to the majority. Therefore, the actions of the majority and the Agent in such matters can impact the Bondholders' rights under the Finance Documents in a manner that is possibly undesirable for some of the Bondholders.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

#### **1.2.1.14 The benchmark regulation**

The Bonds have a floating rate structure on 3-month STIBOR plus a margin. The process for determining STIBOR and other interest rate benchmarks (“**Benchmarks**”) is subject to a number of regulatory reforms, some of which have already been implemented and some of which are currently in progress. The most comprehensive initiative on this area is the Benchmarks Regulation (Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds) (the “**BMR**”) which came into force on 1 January 2018 and regulates the provision of Benchmarks, the contribution of input data to Benchmarks and the use of Benchmarks within the EU. Increased administrative requirements and the regulatory risks associated therewith could lead to participants no longer wanting to participate in the determination of Benchmarks, or that certain Benchmarks are discontinued. Should that be the case for STIBOR and e.g. the relevant fall-back solution evident from the Terms and Conditions should not work properly, it may lead to difficulties determining and calculating interest which in turn could lead to costly and time-consuming discussions in respect of the matter. The calculation of the fall-back solution evident from the Terms and Conditions could also be less favourable to the Bondholders than comparable fall-back solutions in the market. This could have a negative impact on the Bonds, the Issuer and/or the Bondholders.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

### **1.2.1.15 Credit risks**

If the Issuer's financial position deteriorates it is likely that the credit risk associated with the Bonds will increase as there would be an increased risk that the Issuer cannot fulfil its obligations under the Terms and Conditions. The Issuer's financial position is affected by numerous risk factors, some of which have been outlined herein. An increased credit risk could result in the market pricing the Bonds with a higher risk premium, which could adversely affect the value of the Bonds. Another aspect of the credit risk is that a deteriorated financial position could result in a lower credit worthiness, which could affect the Issuer's ability to refinance the Bonds, which in turn could adversely affect the Issuer's operations, result and financial position.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

## **1.2.2 *Risks associated with the offer to the public and/or admission of the Bonds to trading on a regulated market***

### **1.2.2.1 Risks associated with admission to trading and no active secondary market**

Pursuant to the Terms and Conditions, the Issuer shall use its best efforts to ensure that the Bonds are admitted to trading on Nasdaq Stockholm (or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market) within six (6) months from the Issue Date, but there is a risk that the Bonds are not approved for admission to trading. A failure to obtain such admission may have a negative impact on the market value of the Bonds. Even if such admission will occur, there is a risk that an active market for the Bonds will not evolve, or even if such would evolve that it will not last.

The nominal amount of the Bonds may not be indicative of their market value after being admitted for trading on a Regulated Market. In addition, following admission to trading of the Bonds, the liquidity and trading price of the Bonds may vary substantially as a result of numerous factors, including general market movements and irrespective of the Issuer's performance. Therefore, Bondholders may not be able to sell their Bonds easily (or at all) or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be medium.

### **1.2.2.2 The price of the Bonds may be volatile**

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer's operating results, financial condition or prospects.



The Company considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Company considers the potential negative impact to be low.

## **Statement of Responsibility**

The Company issued the Bonds on 20 December 2023 in accordance with the decision from the Board of Directors on 13 December 2023. This Prospectus has been approved by the Swedish FSA as competent authority under the Prospectus Regulation. The Swedish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. The Swedish FSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company is responsible for the information set out in this Prospectus. The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts and contains no omissions likely to affect its import.

The Board of Directors is responsible for the information set out in this Prospectus only under the conditions and to the extent set forth under Swedish law. The Board of Directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the Board of Directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Stockholm, 18 April 2024

**Svea Bank AB**

*The Board of Directors*

## The Bonds in Brief

This section contains a general description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. The Terms and Conditions for the Bonds can be found in the section “Terms and Conditions”. Terms defined in the Terms and Conditions are used with the same meaning in this overview unless it is otherwise explicitly understood from the context.

Issuer:	Svea Bank AB, a public limited liability company with company registration number 556158-7634 and LEI no. 54930034HWW2QC4U7Z48.
Issuing Agent:	DNB Bank ASA, Sweden Branch.
The Bonds:	SEK 300,000,000 Floating Rate Perpetual Additional Tier 1 Bonds.
Nominal Amount per Bond:	SEK 1,250,000.
Number of Bonds:	240.
Price:	All Bonds are issued on a fully paid basis at an issue price of 100 per cent of the Nominal Amount.
ISIN:	SE0021150737.
Issue Date:	20 December 2023.
Use of proceeds:	The proceeds from the issue of the Bonds shall be used for the Issuer’s general corporate purposes.
Type of securities:	The Bonds constitute Additional Tier 1 Capital (Sw. <i>övrigt primärkapital</i> ) of the Issuer as defined in Chapter 3 of the CRR and/or any other Capital Regulations.
No maturity:	The Bonds are perpetual obligations of the Issuer and have no fixed date for redemption. The Issuer may only redeem the Bonds at its discretion in the circumstances described in Clause 10 ( <i>Redemption and repurchase of the Bonds</i> ) of the Terms and Conditions. The Bonds are not redeemable at the option of the Bondholders at any time.
Status of the Bonds:	The Bonds constitute subordinated and unsecured obligations of the Issuer and will at all times rank: <ul style="list-style-type: none"><li>(a) <i>pari passu</i> without any preference among themselves;</li><li>(b) <i>pari passu</i> with (i) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (ii) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Bonds, 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</li></ul>

Issuer;

- (c) senior to holders of all classes of the Issuer's shares in their capacity as such holders and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Bonds, 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, and (iii) except as expressly stated in (b) above, any subordinated creditors, including for the avoidance of doubt holders of bonds which constitute Tier 2 Capital.

**Interest Rate:** The Bonds carry interest at a floating interest rate, amounting to three (3) months STIBOR (as defined in the Terms and Conditions) plus 7.50 per cent. *per annum* (as adjusted by any application of clause 19 (*Replacement of Base Rate*) of the Terms and Conditions) from (but excluding) the Issue Date up to (and including) the relevant Redemption Date. Interest shall be calculated on an actual/360-days basis.

**Interest Payment Date:** 20 March, 20 June, 20 September and 20 December 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 Bonds shall be 20 March 2024 and the last Interest Payment Date shall be the relevant Redemption Date.

**Interest cancellation:** Any payment of Interest in respect of the Bonds 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 Capital Regulation; or
- (b) will be mandatorily cancelled to the extent so required by the Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

Following any cancellation of Interest as described above, the right of the Bondholders 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, nor will the non-payment of such Interest constitute an event of default or similar.

Loss absorption upon a Trigger Event:

If at any time a Trigger Event occurs, the Issuer shall immediately notify the Swedish FSA, the Bondholders and the Agent and the Total Nominal Amount or the Issuer's payment obligation under the Bonds shall be written down. If the Bonds are to be written down, the Issuer shall notify the Bondholders and the Agent. A failure to give such notice shall in no event prejudice any write-down of the Bonds.

A write-down shall take place 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 unless, in accordance with the Capital Regulations, the Swedish FSA has agreed with the Issuer in writing that a write-down may occur after a longer period, in which case, on such date as agreed with the Swedish FSA.

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 (Sw. *ovillkorat kapitaltillskott*) and shall be made in consultation with the Swedish FSA and in accordance with the rules of the CSD.

The amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would restore the Common Equity Tier 1 Capital Ratio to at least 5.125 per cent. in respect of the Issuer and at least 7.00 per cent. in respect of the Issuer Consolidated Situation at the point of such write-down, provided that the maximum reduction of the Total Nominal Amount shall be down to a Nominal Amount per Bond corresponding to SEK 1. A write-down shall be made taking into account any preceding or imminent write-down of corresponding or similar loss absorbing instruments issued by the Issuer or a member of the Issuer Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Bonds).

The Nominal Amount of each Bond shall, upon the write-down of the Total Nominal Amount described above, be written down on a pro rata basis.

"**Trigger Event**" means, at any time, an event where (a) the Common Equity Tier 1 Capital Ratio of the Issuer has fallen below 5.125 per cent, or (b) the Common Equity Tier 1 Capital Ratio of the Issuer Consolidated Situation has fallen below 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).

Reinstatement of the Bonds:

Following a write-down of the Total Nominal Amount, the Issuer may, at its absolute discretion, reinstate the Bonds, subject to compliance with any maximum distribution limits set out the Capital Regulations.

Reinstatement shall be made by way of issuing new bonds to the

relevant Bondholders that qualify as Additional Tier 1 Capital of the Issuer. Any such new bond issuance shall specify the relevant details of the manner in which such new bond issuance shall take effect and where the Bondholders can obtain copies of the new terms and conditions of the new bonds. Such new bonds shall be issued without any cost or charge to the Bondholders and shall be made in accordance with the rules of the CSD.

A reinstatement shall be made taking into account any preceding or imminent reinstatement of corresponding or similar loss absorbing instruments issued by the Issuer, including but not limited to Additional Tier 1 Capital instruments (other than the Bonds).

Any reinstatement of the Bonds shall be made on a *pro rata* basis.

For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Bonds (if issued in full), being SEK 300,000,000.

If the Issuer decides to reinstate the Bonds, the Issuer shall notify the Bondholders and the Agent prior to such reinstatements becoming effective. A notice of reinstatements shall specify the date on which such reinstatements become effective.

Call option:

Subject to Clause 10.5 (*Consent from the Swedish FSA*) of the Terms and Conditions, applicable law and giving notice in accordance with Clause 10.7 (*Notice of early redemption, substitution or variation*) of the Terms and Conditions, the Issuer may redeem all (but not some only) outstanding Bonds (a) any time within the Initial Call Period or (b) on any Interest Payment Date falling after the Initial Call Period.

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

Early redemption, substitution or variation upon the occurrence of a Capital Disqualification Event or Tax Event:

Subject to Clause 10.5 (*Consent from the Swedish FSA*) of the Terms and Conditions and giving notice in accordance with Clause 10.7 (*Notice of early redemption, substitution or variation*) of the Terms and Conditions, if a Capital Disqualification Event or Tax Event has occurred, the Issuer may:

- (a) redeem all (but not some only) outstanding Bonds on any Interest Payment Date; or
- (b) substitute or vary the terms of all (but not some only) of the outstanding Bonds without any requirement for the consent or approval of the Bondholders, 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 Bonds in relation to the Qualifying Securities so substituted or varied.

“**Capital Disqualification Event**” means, at any time on or after the Issue Date, there is a change in the regulatory classification of

the Bonds that would be likely to result in the exclusion of the Bonds (in whole or in part) from the Additional Tier 1 Capital of the Issuer and/or the Issuer Consolidated Situation or reclassification of the Bonds (in whole or in part) as a lower quality form of regulatory capital, provided that:

- (a) the Swedish FSA considers such a change to be sufficiently certain; and
- (b) the Issuer demonstrates to the satisfaction of the Swedish FSA that the regulatory reclassification of the Bonds was not reasonably foreseeable at the Issue Date,

and provided that such exclusion is not a result of any applicable limitation on the amount of such Additional Tier 1 Capital contained in the Capital Regulations.

**“Qualifying Securities”** means securities issued directly by the Issuer following a substitution or variation of the Bonds 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 Bonds (immediately prior to the relevant substitution or variation), provided that they shall:

- (a) include a ranking at least equal to that of the Bonds;
- (b) have at least the same Interest Rate and the same Interest Payment Dates as those applying to the Bonds;
- (c) have the same redemption rights as the Bonds;
- (d) preserve any existing rights under the Bonds 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 Bonds;
- (e) are assigned (or maintain) the same or higher credit ratings as were assigned to the Bonds (if any) immediately prior to the relevant substitution or variation of the Bonds; and
- (f) comply with the then current requirements for Additional Tier 1 Capital contained in the Capital Regulations.

If the Bonds were admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, the Issuer shall use reasonable efforts to ensure that the relevant Qualifying Securities are admitted to trading on a Regulated

Market within sixty (60) days from their issuance.

“**Tax Event**” means the occurrence of any amendment to, clarification of or change in the laws, treaties or regulations of Sweden affecting taxation (including any change in the interpretation by any court or authority entitled to do so) or any governmental action, on or after the Issue Date and which was not foreseeable at the Issue Date, resulting in that:

- (a) 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 Bonds; or
- (a) the treatment of any of the Issuer’s items of income or expense with respect to the Bonds as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be accepted by any tax authority, which subjects the Issuer to a significant amount of additional taxes, duties or governmental charges,

provided that the Issuer satisfies the Swedish FSA that such change in tax treatment of the Bonds is material and was not reasonably foreseeable as at the Issue Date.

**Listing:** The Issuer shall use its best efforts to ensure that the Bonds are admitted to trading on Nasdaq Stockholm (or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market) within six (6) months from the Issue Date.

**CSD:** The Bonds are connected with the account-based system of Euroclear Sweden, for the purpose of having the payment of interest and principal managed by Euroclear Sweden. The Bonds have been registered for the Bondholders on their respective securities accounts and no physical bonds have or will be issued.

The Issuer’s central securities depository and registrar in respect of the Bonds is initially Euroclear Sweden.

**Agent:** Intertrust (Sweden) AB, Reg No. 556625-5476 will act as Agent in connection with the Bonds.

The Agent shall perform certain tasks in connection with the Bonds, such as call for a meeting among the Bondholders to decide upon any issue or matter in relation to the Bonds. The Bondholders do not have any other agent to represent them with respect to the Bonds.

**Restrictions on free transferability:** The Bondholders may be subject to purchase or transfer restrictions with regard to the Bondholders, as applicable, under local laws to which a Bondholders may be subject. The Bondholders must observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Bonds.



Subject thereto the Bonds are freely transferable.

- Time-bar: The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the Redemption Date. Subject to Clause 8.2 (*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 Bondholders' right to receive payment has been time-barred and has become void.
- Acceleration: The Bondholders have no right to accelerate the Bonds or otherwise request prepayment or redemption of the principal amount of the Bonds, except in the event of the liquidation (Sw. *likvidation*) of the Issuer.
- Applicable law: The Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).
- Benchmark Regulation: As at the date of this Prospectus, the SFBF which provides STIBOR, appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

## Information about Svea Bank and its business

### Introduction

The business of Svea Bank started in 1981 and is conducted through the current company, Svea Bank AB, with Reg. No 556158-7634, incorporated on 17 January 1972 in Sweden (as registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 17 February 1972). The Company is a public limited liability company and is regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Annual Accounts Act (Sw. *årsredovisningslagen (2005:551)*). The registered office of the Company is in Stockholm and its registered address is Evenemangsgatan 31, SE-169 81 Solna, Sweden.

The Company's website is [www.svea.com](http://www.svea.com). The information on the Company's website or any other website is not part of this Prospectus and has not been scrutinised or approved by the Swedish FSA unless that information is incorporated by reference into this Prospectus.

### Share capital, shares and major shareholders

According to the articles of association, the Company's share capital shall not be less than SEK 50,000,000 and not exceed SEK 200,000,000, divided into at least 500,000 and a maximum of 2,000,000 shares. At the date of the Prospectus, the Company's share capital amounts SEK 50,500,501.50 divided into 1,590,800 shares. The Company's shares are denominated in SEK. According to the articles of association, the Company can only issue one class of shares.

The Board member and the Chief Executive Officer Lennart Ågren owns 100 per cent. of the shares in the Company and represents 100 per cent. of the capital and the votes in the Company.

As far as the Company is aware, there are no agreements or equivalent that may later lead to changes in the control of the Company.

### Operations

The Company conducts financing activities under a permit from the Swedish FSA and in accordance with the provisions of the Banking and Financing Business Act (Sw. *lag om bank- och finansieringsrörelse (2004:297)*). The Group also provides administrative services.

The Group's business concept is to provide the market with personal service and efficient customized solutions within the areas of administrative and financial services and debt recovery. The Group offers invoice services, business financing, factoring, invoice purchasing, debt recovery, deposits, unsecured loans, VAT recovery, billing, legal services, credit reports, training, payment transfers and foreign currency exchange. The Group conducts business operations in the Nordic region and other parts of Europe and is currently represented in 18 different countries and collaborates with partners around the world.

The Company's services are targeted towards companies ("B2B") as well as consumers ("B2C"). The B2B services are targeted towards business of all sizes acting on within any business segment. B2B services are divided into several lines of business, the four largest being payment solutions, factoring, debt recovery and financing. Currently, the Company is making investments to meet the

demand for smart payment solutions within e-commerce, mobile platforms and stores. The B2C services mainly consists of services relating to deposits and lending from and to the public, e.g. consumer credits, real property mortgage loans and savings accounts.

As of 31 December 2023, the Group's financial services are offered by Svea Bank including its branches Svea Bank AB filial i Norge och Svea Bank AB filial i Finland and the subsidiaries Svea Finance AS, Svea Finans A/S, Svea Finans Nederland BV, Svea Credit BV, Svea Finans AG, Svea Payments OY, MoneyGo AB, FMS Financial Management Solutions GmbH, Svea Investments Inc, Zlantar of Sweden AB, Svea Rahoitus OY and Svea Ekonomi Cyprus Limited, and its subsidiaries.

The Group's lending to the public is financed through deposits from the public, the Group's own operations, other credit institutions, bond issues and subordinated debts. As of 31 December 2023, deposits from the public amounted to SEK 36,169 million for the Group, and SEK 35,882 million for the Company.

The Group's lending to credit institutions primarily consists of bank balances with established banks and credit institutions and the Group's lending to private individuals primarily consists of unsecured loans.

For the period 1 January 2023 – 31 December 2023, the Group's operating income amounted to approximately SEK 4,410 million and to approximately SEK 4,036 million for the Company. During the same period, the Group's operating result amounted to approximately SEK 772 million and to approximately SEK 449 million for the Company. As per 31 December 2023, the number of employees amounted to 2,221 in the Group.

## **Risk management organization and corporate governance**

### **Risk management organization**

Risk exposure is an integrated part of finance activities which means that the Group is exposed to credit, liquidity, business and operational risks. The operations therefore require an efficient governance and control environment with a clear organisation and assignment of responsibility, as well as efficient processes for each risk area.

The Company uses a control model in which responsibility for risk management is divided between the Board of Directors and three lines of defense: the line organization (first line of defense); risk control and compliance (second line of defense) and internal auditing (third line of defense).

The Board of Directors bears ultimate responsibility for limiting and following up on the Company's and for the Group's risks and also establishing the Group's capital adequacy target. The Board of Directors monitors risk trends on a continuous basis and sets and supervises risk appetite limits, which may not be exceeded.

The risk controller as well as compliance are independent functions within the Group and are responsible for, among other things, ongoing controls to ensure that risk exposure is kept within established limits and that the line organization controls operations in the manner intended. This also involves ensuring that changes in legislation and regulations are implemented and complied with in the organization.

In the third line of defense, the internal audit examines and evaluates risk control and governance processes in the Group, reporting directly to the Board of Directors of the Company. The function audits day-to-day operations in the line organization and the work performed by the second line of defense, and also acts as an advisor to business operations.

The Company has a comprehensive framework in order to ensure efficient governance and internal control of the business. The Board of Directors determines and has the ultimate responsibility for the framework, which is based on a clear division of responsibilities and authorities for the Company's functions and units. This framework of governance and control includes internal independent control functions in two different stages or levels, where the functions of risk control and compliance are the level next to the business units and other support functions. The level next thereto is the function for internal audit, which has the responsibility to evaluate and control the Company's business and support units as well as the two functions of control. The responsibility of these two levels of independent functions of control and audit and their respective way of reporting directly to the Board of Directors constitute the basis for ensuring that the control of the Company is not abused.

### **Corporate governance**

The company's shareholders exercise their influence through active participation in the decisions made at the shareholder meeting. In order to ensure that control over the Company is not abused, the Company follows the provisions of the Swedish Companies Act (2005: 551) and acts in line with the rules of procedure for the Board and the instructions for the CEO adopted by the Company. Audit and remuneration issues are managed by the Company's Board of Directors by one of its appointed board members. Furthermore, the Company has appointed a special committee on compliance issues.

### **Group structure**

The Group consists of the parent company, the Issuer, and approximately 57 directly or indirectly owned Swedish and foreign subsidiaries and/or associated companies. The Issuer conducts business through branches in Norway and Finland. All the companies in the Group are non-listed.

The parent company accounts for a significant part of the Group's revenues. The subsidiary Svea Inkasso AB and its subsidiaries are also contributing to a large part of the Group's revenue. The Company is to some extent financially dependent on its subsidiaries, including Svea Inkasso AB, since the Company's operations and earnings are affected by the subsidiaries' operations and earnings through the dividends that are provided. However, the Company is not dependent on any subsidiary in operational aspect.

### **Investments**

No important investments have been made since the last financial report, the year-end report for the period ending on 31 December 2023.

### **Material events**

In addition to the issuance of the Bonds on 20 December 2023, the issuance of the bonds with ISIN SE0019913740 and the voluntary total redemption of the Issuer's additional tier 1 bonds with ISIN SE0011062009, both on 3 April 2023, and the insolvency of a counterparty to whom the Company

has a significant exposure towards which resulted in a credit loss for the Company with an increase of the level of credit losses for the Company by 1 percentage point on an annual basis and the agreement between the Company and Intrum Suomi Oy regarding acquisition of all shares in Intrum Rahouitas Oy, there has not been any events since the date of publication of the Company's latest audited financial statement that are specific to the Company with material impact on the assessment of the Company's solvency.

## **Material changes in the Issuer's financial or market position**

There has been no significant change in the financial or market position of the Group since the period for the latest published annual report, other than the issuance of the Bonds on 20 December 2023, the issuance of the bonds with ISIN SE0019913740 and the voluntary total redemption of the Issuer's additional tier 1 bonds with ISIN SE0011062009, both on 3 April 2023.

## **Trends**

There has been no material adverse change in the prospects of the Company since the date of publication of its latest audited financial statement.

The company is not aware of any trends, uncertainties, potential claims or other requirements, commitments or events that can be expected to have a material impact on the Company's business prospects.

## **Material agreements**

The Company is not a party to any material agreements outside of the ordinary course of business which could result in an entity within the Group having a right or an obligation that could materially affect the Company's ability to meet its obligations under the Bonds to the Bondholders.

## **Disputes and litigation**

The Company has received a sanction from the Swedish FSA due to deficiencies in the credit processes for consumers of unsecured personal loans, consisting of a remark (Sw. *anmärkning*) and an administrative fee of SEK 45,000,000. The decision was appealed to the administrative court of Stockholm (Sw. *Förvaltningsrätten i Stockholm*) by the Company. The administrative court upheld the appeal. The Swedish FSA has appealed the judgement by the administrative court of Stockholm and is now awaiting leave to appeal (Sw. *prövningstillstånd*) by the Administrative Court of Appeal in Stockholm (Sw. *Kammarrätten i Stockholm*).

Furthermore, the Company has been prohibited by the Swedish Consumer Agency (Sw. Konsumentverket) to include penalty fees for delays on invoices from the Company to consumers, which has been made subject to a conditional fine (Sw. *vite*) which would become payable if the Company is to breach the prohibition, a decision which was established by the Patent and Market Court (Sw. Patent- och markandsdomstolen) through judgments. The Company has appealed the judgment to the Supreme Court (Sw. *Högsta domstolen*) and is awaiting the final judgement.

In addition, the Company's subsidiary MoneyGo received a warning, together with a penalty fee of SEK 10,000,000, by the Swedish Consumer Agency, due to lack of compliance relating to its routines

for credit assessment of its customers. The decision was appealed to the Administrative Court of Karlstad (Sw. *Förvaltningsrätten i Karlstad*). The court upheld the appeal and the Swedish Consumer Agency has not been granted leave to appeal by decision on 23 November 2023 (which decision can be appealed). MoneyGo is awaiting that the judgement is gaining legal force.

Further, the Company is subject to AML-investigations as described above in Clause 1.1.3.5 (*Risks related to money-laundering*).

The Company is also involved in disputes and claims as part of the day-to-day operations, such as requirements regarding payment of the borrower's debt. However, other than as set out above, the Company has not been a party to any legal proceedings or conciliation procedures (including any such proceedings which are pending or threatened and of which the Company is aware) which may have, or have had in the past 12 months, and which have recently had or could have a significant effect on the financial position or profitability of the Company or the Group.

## **Credit ratings**

Neither the Company nor the Bonds have been assigned any credit rating.

## **Interest of advisors**

The Arranger may in the future provide the Company with financial advice and participate in transactions with the Company, for which the Arranger may receive compensation. All services provided by the Arranger, and also those provided in connection with the issue, are provided by the Arranger as independent advisor.

Advokatfirman Vinge KB has acted as legal advisor to the Company in connection with the issue and listing of the Bonds and has no conflicting interests with the Company or the Group.

## **Costs**

The Company is responsible for all costs in connection with the admission to trading such as costs for the preparation of a prospectus, admission to trading on regulated market, other documentation, fees to Euroclear Sweden, etc.

## **Board of Directors**

The Company's Board of Directors consists of seven ordinary board members, including the chairman, appointed for the period until the end of the annual general meeting to be held in 2024. All board members can be contacted through the Company's registered address, Evenemangsgatan 31, SE-169 81 Stockholm, Sweden. The members of the Board of Directors, their position and other relevant assignments are set forth below.

### **Anders Lidfelt (born 1959) – Chairman of the Board of Directors**

Chairman of the Board of Directors since: 2021

Member of the Board of Directors since: 2019

Other relevant assignments:-

**Lennart Ågren (born 1951) – Member of the Board of Directors and Chief Executive Officer**

Member of the Board of Directors since: 1987

Chief Executive Officer since: 1994

Other relevant assignments: Chairman of the board of directors of Svea Inkasso AB.

**Mats Hellström (born 1959) – Member of the Board of Directors**

Member of the Board of Directors since: 1995

Other relevant assignments: Chairman of the board of directors of Hellström Advokatbyrå i Stockholm AB.

**Anders Ingler (born 1950) – Member of the Board of Directors**

Member of the Board of Directors since: 2013

Other relevant assignments: -

**Mats Kärsrud (born 1951) – Member of the Board of Directors**

Member of the Board of Directors since: 1987

Other relevant assignments: Member of the board of directors of Svea Inkasso AB.

**Anders Hedberg (born 1952) – Member of the Board of Directors**

Member of the Board of Directors since: 2018

Other relevant assignments: -

**Anna Frick (born 1968) – Member of the Board of Directors**

Member of the Board of Directors since: 2018

Other relevant assignments: Member of the board of directors of Cell Impact AB, Fortnox AB, Lohilo Foods AB, Sensec Holding AB and Transfer Group AB.

## **Management**

The members of the Company's management, their position and other relevant assignments outside the Company are set forth below.

**Lennart Ågren (born 1951) – Chief Executive Officer and Member of the Board of Directors**

Member of the management team since 1981.

**Helena Bäckström (born 1981) – Chief Executive Officer of Svea Inkasso AB**

Member of the management team since 2017.

**Simon Nybacka (born 1990) – Chief Financial Officer**

Member of the management team since 2023.

**Jonatan Fornander (born 1987) – Head of Credits**

Member of the management team 2021.

**Ulrika Fornander (born 1965) - Head of Administrative and Financial Services**

Member of the management team since 1999.

**Jörgen Edström (born 1964) – CTO**

Member of the management team since 1996.

**Pasi Väre (born 1958) – Head of Svea Bank Finland**

Member of the management team since 2010.

**Olav Grøndahl (born 1964) – Head of Svea Bank Norway**

Member of the management team since 2005.

**Other information about the Board of Directors and management**

Lennart Ågren being member of the Board of Directors and Chief Executive Officer of the Company, has financial interests in the Company as a consequence of his direct holdings of shares. Apart from this, there are no conflicts of interest or potential conflicts of interests between the duties of the members of the Board of Directors and the members of management towards the Company and their private interests and/or other duties.

**Auditor**

The Company's auditor is presently BDO Mälardalen AB ("**BDO**") with Per Fridolin as the auditor in charge. BDO was re-elected at the annual general meeting held in 2023 for the time until the end of the next annual general meeting. Per Fridolin can be contacted at, BDO Mälardalen AB, Sveavägen 53, SE-102 35 Stockholm, Sweden. Per Fridolin is a member of FAR. BDO has been the Company's auditor since 2017.

**Financial reports**

The Company's annual reports for 2021 as well as 2022 have been reviewed by the Company's current auditor BDO. The Company's annual report for 2022 was published on 28 April 2023.

The annual accounts of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. The Company's annual report for 2022 has been prepared in accordance with IAS 34, Interim Financial Reporting.

Other than the auditing of the Company's annual reports for the financial years 2021 and 2022 which are incorporated by reference in this Prospectus, the Company's auditor has not audited any part of this Prospectus.

**Expected date for listing, market place and costs relating to the listing**

The Bonds will be admitted to trading on Nasdaq Stockholm on or around 24 April 2024, for which listing this Prospectus has been prepared. The cost relating to the listing is approximately SEK 150,000.



## Documents available for inspection

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Company's registered address at Evenemangsgatan 31, SE-169 81 Stockholm, Sweden, during ordinary weekday office hours:

- the Company's articles of association as of the date of this Prospectus;
- the certificate of registration of the Company;
- the audited consolidated financial statements of each company in the Group, including the auditor's report, for the financial years 2021 and 2022; and
- the documents listed below, which are incorporated by reference.

## Documents incorporated by reference

This Prospectus, in addition to this document, comprises of the following documents which are incorporated by reference and available in electronic format on the Company's website, during the period of validity of this Prospectus:

- the unaudited year-end report for the period 1 January – 31 December 2023 of the Company. The income statement can be found on page 12 the balance sheet can be found on page 13, the cash flow statement can be found on page 15, the report of changes in equity capital can be found on page 14, the description of accounting principles can be found on page 16 and notes for the income statement and the balance sheet can be found on pages 16-40, <https://www.svea.com/globalassets/sweden/bokslutskommunike-2023.pdf>;
- the audited consolidated financial statements of the Company, including the auditor's report, for the financial year 2022. The income statement can be found on page 7, the balance sheet can be found on page 8, the cash flow statement can be found on page 11, the report of changes in equity capital can be found on page 10, the description of the accounting principles applied can be found on pages 12 - 16, notes for the income statement and the balance sheet can be found on pages 12 - 72 and the auditor's report can be found on pages 73 - 76 of the financial statements, <https://www.svea.com/globalassets/sweden/annual-report-svea-bank-ab-publ-2022-eng.pdf>; and
- the audited financial statements of the Company, including the auditor's report, for the financial year 2021. The income statement can be found on page 7, the balance sheet can be found on page 8, the cash flow statement can be found on page 10, the report of changes in equity capital can be found on page 9, the description of the accounting principles applied can be found on pages 11 - 15, notes for the income statement and the balance sheet can be found on pages 11 - 42 and the auditor's report can be found on pages 44 - 46 of the financial statements, <https://www.svea.com/globalassets/sweden/annual-report-2021-svea-bank-ab-publ.pdf>.

The sections of the above documents that have not been incorporated by reference are not relevant for investors in the Bonds.

## **Complete Terms and Conditions**



### **Svea Bank AB**

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Terms and Conditions

SEK 300,000,000

Perpetual Additional Tier 1 Capital Bonds

ISIN SE0021150737

Dated on 18 December 2023

## **SELLING RESTRICTIONS**

No action is being taken that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds 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 Agent and the Issuing Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders 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 Agent and the Issuing 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 Bonds and payments under the Bonds;
- (c) to enable the Bondholders' 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 Agent and the Issuing Agent in relation to items (a) to (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, the Agent or the Issuing 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 Agent and the Issuing 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 Agent's and the Issuing Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites [www.svea.com](http://www.svea.com), [www.intertrustgroup.com](http://www.intertrustgroup.com) and [www.dnb.se](http://www.dnb.se).

# 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 Bondholder has opened a Securities Account in respect of its Bonds.

“**Additional Tier 1 Capital**” means additional tier 1 capital (Sw. *övrigt primärkapital*) as defined in Chapter 3 of the CRR and/or any other Capital Regulations.

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

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in item (i). 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 on or 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 Intertrust (Sweden) AB, Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Base Rate**” means STIBOR or any reference rate replacing STIBOR in accordance with Clause 19 (*Replacement of Base Rate*).

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

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

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clauses 17.1 (*Request for a decision*), 17.3 (*Convening of Bondholders’ Meeting*) and 17.5 (*Majority, quorum and other provisions*).

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *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 Disqualification Event**” means, at any time on or after the Issue Date, there is a change in the regulatory classification of the Bonds that would be likely to result in the exclusion of the Bonds (in whole or in part) from the Additional Tier 1 Capital of the Issuer and/or the Issuer Consolidated Situation or reclassification of the Bonds (in whole or in part) as a lower quality form of regulatory capital, provided that:

- (a) the Swedish FSA considers such a change to be sufficiently certain; and
- (b) the Issuer demonstrates to the satisfaction of the Swedish FSA that the regulatory reclassification of the Bonds was not reasonably foreseeable at the Issue Date,

and provided that such exclusion is not a result of any applicable limitation on the amount of such Additional Tier 1 Capital contained in the Capital Regulations.

“**Capital Regulations**” means, at any time, regulations, directives, guidelines, policies or similar of the EU and its institutions, including the CRD and any delegated act adopted by the European Commission thereunder, as well as the legal acts, regulations, requirements, guidelines and policies relating to capital adequacy as then applied in Sweden by the Swedish Government, the Swedish FSA (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Issuer Consolidated Situation) and/or any European successor in effect.

“**Common Equity Tier 1 Capital**” means, at any time, the common equity tier 1 capital (Sw. *kärnprimärkapital*) of the Issuer or the Issuer Consolidated Situation, respectively, as defined in Chapter 2 of Part Two of the CRR and/or any other Capital Regulations at such time.

“**Common Equity Tier 1 Capital Ratio**” means, at any time:

- (a) in relation to the Issuer, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer at such time, divided by the Risk Weighted Assets 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 Common Equity Tier 1 Capital of the Issuer Consolidated Situation at such time, divided by the Risk Weighted Assets of the Issuer Consolidated Situation at such time,

in each case, as calculated by the Issuer in accordance with the Capital Regulations and as reported to the Swedish FSA.

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

“**CRD Implementing Measures**” means any regulatory capital rules, regulations or other requirements implementing (or promulgated in the context of) the CRD IV Directive, the CRD V Directive, the CRR or the CRR II 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 Issuer Consolidated Situation, as applicable.

“**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 the same may be amended or replaced from time to time.

“**CRD V Directive**” means Directive 2019/878/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 27 June 2019, 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.

“**CRR II**” means Regulation (EU) No. 876/2019 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 27 June 2019, 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 Bonds, from time to time, initially 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 Bonds from time to time.

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

“**Distributable Items**” means 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 (Sw. *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 as a “Finance Document” by the Agent and the Issuer.

“**Financial Instruments Accounts Act**” means the Swedish Financial Instruments Accounts Act (Sw. *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 (5th) anniversary of the Issue Date (being 20 December 2028).

“**Force Majeure Event**” has the meaning set forth in Clause 26.1.

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

“**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 months of the First Call Date.

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than the Bondholders and creditors of secured debt) with a view to rescheduling any of its indebtedness (including, if applicable, company reorganisation under the Swedish Company Reorganisation Act (Sw. *lag (2022:964 om företagsrekonstruktion)*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Bonds calculated in accordance with Clause 8.1

“**Interest Payment Date**” means 20 March, 20 June, 20 September and 20 December 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 Bonds shall be 20 March 2024 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (ii) 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 7.50 per cent. *per annum* as adjusted by any application of Clause 19 (*Replacement of Base Rate*).



“**Issue Date**” means 20 December 2023.

“**Issuer**” means Svea Bank AB, a public limited liability company incorporated under the laws of Sweden with Reg. No. 556158-7634.

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

“**Issuing Agent**” means DNB Bank ASA, Sweden Branch, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

“**Nominal Amount**” has the meaning set forth in Clause 2.4.

“**Qualifying Securities**” means securities issued directly by the Issuer following a substitution or variation of the Bonds in accordance with Clause 10.4(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 Bonds (immediately prior to the relevant substitution or variation), provided that they shall:

- (a) include a ranking at least equal to that of the Bonds;
- (b) have at least the same Interest Rate and the same Interest Payment Dates as those applying to the Bonds;
- (c) have the same redemption rights as the Bonds;
- (d) preserve any existing rights under the Bonds 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 Bonds;
- (e) are assigned (or maintain) the same or higher credit ratings as were assigned to the Bonds (if any) immediately prior to the relevant substitution or variation of the Bonds; and
- (f) comply with the then current requirements for Additional Tier 1 Capital contained in the Capital Regulations.

If the Bonds were admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, the Issuer shall use reasonable efforts to ensure that the relevant Qualifying Securities are admitted to trading on a Regulated Market within sixty (60) days from their issuance.

“**Quotation Day**” means, in relation to any other 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 (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 16 (*Distribution of proceeds*), (iv) a date of a Bondholders’ Meeting or (v)

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 Bonds are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Bonds*).

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

“**Risk Weighted Assets**” means, at any time, with respect to the Issuer or the Issuer Consolidated Situation, the aggregate amount of the risk weighted assets (or any equivalent or successor term) of the Issuer or the Issuer Consolidated Situation, as the case may be, in each case as calculated by the Issuer in accordance with the Capital Regulation.

“**Securities Account**” means the account for dematerialised securities (Sw. *avstämningsregister*) maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) 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 Swedish Financial Benchmark Facility AB (or any person replacing it as 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, 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 (Sw. *dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

“**Swedish FSA**” means the Swedish financial supervisory authority (Sw. *Finansinspektionen*) or such other governmental authority in Sweden having primary bank supervisory authority with respect to the Issuer and the Issuer Consolidated Situation.

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

“**Tax Event**” means the occurrence of any amendment to, clarification of or change in the laws, treaties or regulations of Sweden affecting taxation (including any change in the interpretation by any court or authority entitled to do so) or any governmental action, on or after the Issue Date and which was not foreseeable at the Issue Date, resulting in that:

- (a) 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 Bonds; or
- (b) the treatment of any of the Issuer’s items of income or expense with respect to the Bonds as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be accepted by any tax authority, which subjects the Issuer to a significant amount of additional taxes, duties or governmental charges,

provided that the Issuer satisfies the Swedish FSA that such change in tax treatment of the Bonds is material and was not reasonably foreseeable as at the Issue Date.

“**Tier 2 Capital**” means tier 2 capital (Sw. *supplementärkapital*) as defined in Chapter 4 of the CRR and/or any other Capital Regulation applicable at such time.

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

“**Trigger Event**” means, at any time, an event where (i) the Common Equity Tier 1 Capital Ratio of the Issuer has fallen below 5.125 per cent, or (ii) the Common Equity Tier 1 Capital Ratio of the Issuer Consolidated Situation has fallen below 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 Date**” has the meaning as set forth in Clause 9.1.2.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clauses 17.1 (*Request for a decision*), 17.4 (*Instigation of Written Procedure*) and 17.5 (*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 regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (c) a provision of law 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, 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 (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.

**1.2.3** A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

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

**1.2.5** The selling restrictions, 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 Bondholders and the Agent.

## **2 Status of the Bonds**

**2.1** The Bonds are intended to constitute Additional Tier 1 Capital of the Issuer. The Bonds constitute subordinated and unsecured obligations of the Issuer and will at all times rank:

- (a) *pari passu* without any preference among themselves;
- (b) *pari passu* with (i) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (ii) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Bonds, 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 holders of all classes of the Issuer’s shares in their capacity as such holders and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Bonds, 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 unsecured creditors of the Issuer, and (iii) except as expressly stated in (b)

above, any subordinated creditors, including for the avoidance of doubt holders of bonds which constitute Tier 2 Capital.

- 2.2 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions, subject to and in accordance with these Terms and Conditions.
- 2.3 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.4 The initial nominal amount of each Bond is SEK 1,250,000 (the “**Nominal Amount**”). The aggregate nominal amount of the Bonds is SEK 300,000,000. 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 9 (*Loss absorption and reinstatement*), and “Nominal Amount” shall be construed accordingly.
- 2.5 Each Bond is issued on a fully paid basis at an issue price of 100 per cent of the Nominal Amount.
- 2.6 A Bondholder or the Agent may only declare the Bonds (and any accrued interest) due and payable in the event of the liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer.
- 2.7 No Bondholder 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 Bonds held by such Bondholder.
- 2.8 The Issuer reserves the right to issue further subordinated bonds and other subordinated obligations in the future, which may rank *pari passu* or senior with the Bonds as well any capital instruments of the Issuer, which may rank junior to the Bonds.
- 2.9 The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 2.10 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### **3 Purpose and use of proceeds**

The Bonds shall constitute Additional Tier 1 Capital of the Issuer and the proceeds from the issue of the Bonds shall be used (after deduction has been made for the transaction costs payable by the Issuer to the Issuing Agent and its professional advisors for the

services provided in relation to the placement and issuance of the Bonds) for general corporate purposes of the Issuer.

## **4 Conditions for disbursement**

4.1 The Issuer shall provide to the Agent, prior to the issuance of the Bonds the following, in form and substance satisfactory to the Agent:

- (a) the certificate of incorporation and the articles of association of the Issuer;
- (b) the Finance Documents and the Agency Agreement duly executed by the Issuer;
- (c) a copy of a resolution from the board of directors of the Issuer approving the issue of the Bonds, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;
- (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 the Issuer are duly authorised to do so; and
- (e) such other documents and information as is agreed between the Agent and the Issuer.

4.2 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 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.

4.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1 have been satisfied.

## **5 Bonds in book-entry form**

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

5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

5.3 The Issuer and the Agent shall be entitled to obtain information from the Debt Register. 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.

5.4 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 Bondholders.

- 5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 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 Bondholder or third party unless necessary for such purposes.

## **6 Right to act on behalf of a Bondholder**

- 6.1 If any person other than a Bondholder (including the owner of a Bond, if such person is not the Bondholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such person.

- 6.2 A Bondholder 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 Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.

- 6.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6.2 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.

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

## **7 Payments in respect of the Bonds**

- 7.1 Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder 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.

- 7.2 Provided that a Bondholder has registered an income account (Sw. *avkastningskonto*) for the relevant Securities Account on the applicable Record Date, the CSD shall procure that principal, interest and other payments under the Bonds 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 Bondholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Bondholder 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 Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 7.3 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.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer 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.
- 7.5 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.

## **8 Interest and Interest calculation**

### **8.1 Interest**

- 8.1.1 Each Bond carries Interest at the Interest Rate from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- 8.1.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 8.1.3 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).
- 8.1.4 Under no circumstances shall any penalty (*Sw. dröjsmålsränta*) interest be payable by the Issuer in respect of the Bonds.

### **8.2 Interest cancellation**

- 8.2.1 Any payment of Interest in respect of the Bonds 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 Capital Regulation; or
  - (ii) will be mandatorily cancelled to the extent so required by the Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.



**8.2.2** The Issuer shall give notice to the Bondholders in accordance with Clause 25 (*Notices and press releases*) 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.

**8.2.3** Following any cancellation of Interest as described above, the right of the Bondholders 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, nor will the non-payment of such Interest constitute an event of default or similar.

### **8.3 Calculation of Interest in case of write-down or reinstatement**

**8.3.1** Subject to Clause 8.2 (*Interest cancellation*), in the event that a write-down of the Bonds occurs pursuant to Clause 9.1 (*Loss absorption upon a Trigger Event*) during an Interest Period, Interest will continue to accrue on the Nominal Amount (as adjusted).

**8.3.2** Subject to Clause 8.2 (*Interest cancellation*), in the event that a reinstatement of the Bonds occurs pursuant to Clause 9.2 (*Reinstatement of the Bonds*), Interest shall begin to accrue on the reinstated Nominal Amount.

**8.3.3** In connection with a write-down or write-up pursuant to Clause 9 (*Loss absorption and reinstatement*), the Issuer shall inform the CSD of the adjusted interest that shall be applied on the next Interest Payment Date, in order for the Bondholders to receive an amount of Interest equivalent to the Interest Rate on the Nominal Amount so written down or written up (as applicable).

## **9 Loss absorption and reinstatement**

### **9.1 Loss absorption upon a Trigger Event**

**9.1.1** If at any time a Trigger Event occurs, the Issuer shall immediately notify the Swedish FSA, the Bondholders and the Agent in accordance with Clause 25 (*Notices and press releases*) and the Total Nominal Amount or the Issuer’s payment obligation under the Bonds shall be written down in accordance with this Clause 9.1 (*Loss absorption upon a Trigger Event*). If the Bonds are to be written down, the Issuer shall notify the Bondholders and the Agent in accordance with Clause 25 (*Notices and press releases*). A failure to give such notice shall in no event prejudice any write-down of the Bonds.

**9.1.2** A write-down shall take place 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 unless, in accordance with the Capital Regulations, the Swedish FSA has agreed with the Issuer in writing that a write-down may occur after a longer period, in which case, on such date as agreed with the Swedish FSA.

- 9.1.3** 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 (Sw. *ovillkorat kapitaltillskott*) and shall be made in consultation with the Swedish FSA and in accordance with the rules of the CSD.
- 9.1.4** The amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would restore the Common Equity Tier 1 Capital Ratio to at least 5.125 per cent. in respect of the Issuer and at least 7.00 per cent. in respect of the Issuer Consolidated Situation at the point of such write-down, provided that the maximum reduction of the Total Nominal Amount shall be down to a Nominal Amount per Bond corresponding to SEK 1. A write-down in accordance with this Clause 9.1 (*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 or a member of the Issuer Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Bonds).
- 9.1.5** The Nominal Amount of each Bond shall, upon the write-down of the Total Nominal Amount described above, be written down on a *pro rata* basis.

## **9.2 Reinstatement of the Bonds**

- 9.2.1** Following a write-down of the Total Nominal Amount in accordance with Clause 9 (*Loss absorption and reinstatement*), the Issuer may, at its absolute discretion, reinstate the Bonds, subject to compliance with any maximum distribution limits set out the Capital Regulations.
- 9.2.2** Reinstatement shall be made by way of issuing new bonds to the relevant Bondholders that qualify as Additional Tier 1 Capital of the Issuer. Any such new bond issuance shall specify the relevant details of the manner in which such new bond issuance shall take effect and where the Bondholders can obtain copies of the new terms and conditions of the new bonds. Such new bonds shall be issued without any cost or charge to the Bondholders and shall be made in accordance with the rules of the CSD.
- 9.2.3** A reinstatement in accordance with this Clause 9.2 (*Reinstatement of the Bonds*) shall be made taking into account any preceding or imminent reinstatement of corresponding or similar loss absorbing instruments issued by the Issuer, including but not limited to Additional Tier 1 Capital instruments (other than the Bonds).
- 9.2.4** Any reinstatement of the Bonds shall be made on a *pro rata* basis.
- 9.2.5** For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Bonds (if issued in full), being SEK 300,000,000.
- 9.2.6** If the Issuer decides to reinstate the Bonds, the Issuer shall notify the Bondholders and the Agent in accordance with Clause 25 (*Notices and press releases*) prior to such reinstatements becoming effective. A notice of reinstatements under this Clause 9.2.6 shall specify the date on which such reinstatements become effective.

## **10 Redemption and repurchase of the Bonds**

### **10.1 Perpetual Bonds**

The Bonds are perpetual obligations of the Issuer and have no fixed date for redemption. The Issuer may only redeem the Bonds at its discretion in the circumstances described in this Clause 10 (*Redemption and repurchase of the Bonds*). The Bonds are not redeemable at the option of the Bondholders at any time.

### **10.2 Early redemption at the option of the Issuer**

Subject to Clause 10.5 (*Consent from the Swedish FSA*), applicable law and giving notice in accordance with Clause 10.7 (*Notice of early redemption, substitution or variation*), the Issuer may redeem all (but not some only) outstanding Bonds (i) any time within the Initial Call Period or (ii) on any Interest Payment Date falling after the Initial Call Period.

### **10.3 Issuer's purchase of Bonds**

The Issuer or a Group Company may, subject to applicable laws and to Clause 10.5 (*Consent from the Swedish FSA*), at any time on or following the First Call Date and at any price purchase Bonds on the market or in any other way. Such Bonds purchased and held by the Issuer or the Group Company may at its discretion be retained or sold.

### **10.4 Early redemption, substitution or variation upon the occurrence of a Capital Disqualification Event or Tax Event**

Subject to Clause 10.5 (*Consent from the Swedish FSA*) and giving notice in accordance with Clause 10.7 (*Notice of early redemption, substitution or variation*), if a Capital Disqualification Event or Tax Event has occurred, the Issuer may:

- (a) redeem all (but not some only) outstanding Bonds on any Interest Payment Date; or
- (b) substitute or vary the terms of all (but not some only) of the outstanding Bonds without any requirement for the consent or approval of the Bondholders, 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 Bonds in accordance with this Clause 10.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Disqualification Event or Tax Event*) in relation to the Qualifying Securities so substituted or varied.

### **10.5 Consent from the Swedish FSA**

A Group Company, or any other company forming part of the consolidated situation which the Issuer reports to the Swedish FSA, may not redeem, purchase, substitute or adjust any outstanding Bonds without the prior written consent of the Swedish FSA and in accordance with the Capital Regulation. Any Bonds redeemed or purchased in accordance with this Clause 10.5, may be retained or sold by the relevant Group Company, if such

action has been approved by the Swedish FSA and is in compliance with the Capital Regulation.

## **10.6 Early redemption amount**

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

## **10.7 Notice of early redemption, substitution or variation**

**10.7.1** Any redemption, substitution or variation in accordance with Clauses 10.2 (*Early redemption at the option of the Issuer*) and 10.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Disqualification Event or Tax Event*) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any notice of redemption shall state the Redemption Date and the relevant Record Date. Any such notice is irrevocable but may, subject to the Capital Regulations and approval of the Swedish FSA, at the Issuer's discretion contain one or more conditions precedent that shall be fulfilled prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

**10.7.2** Notwithstanding Clause 10.7.1, if a Trigger Event occurs following a notice given in accordance with Clause 10.7.1 but prior to the relevant redemption, substitution or variation of the Bonds, such notice shall have no effect and Clause 9.1 (*Loss absorption upon a Trigger Event*) shall apply, and, for the avoidance of doubt, no redemption, substitution or variation in accordance with this Clause 10 shall occur.

## **11 Information to Bondholders**

### **11.1 Information from the Issuer**

The Issuer will make the following information available to the Bondholders by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within 150 days after the end of each financial year, its audited consolidated financial statements for that financial year;
- (b) as soon as the same become available, but in any event within 60 days after the end of each interim half of its financial year, its unaudited consolidated financial statements or the year-end report (Sw. *bokslutskommuniké*) (as applicable) for such period;
- (c) as soon as the same become available, but in any event within 60 days after the end of each quarter of its financial year, a report on regulatory capital for the Issuer; and
- (d) from and for as long as the Bonds are admitted to trading on any Regulated Market, any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.

## **11.2 Information from the Agent**

The Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information that has occurred and is continuing.

## **11.3 Publication of Finance Documents**

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

**11.3.2** The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

## **12 Admission to trading**

**12.1** The Issuer shall use its best efforts to ensure that the Bonds are admitted to trading on Nasdaq Stockholm (or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market) within six (6) months from the Issue Date.

**12.2** Following the admission to trading, the Issuer shall use its best efforts to maintain the admission as long as any Bonds are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

## **13 Undertakings relating to the Agency Agreement**

**13.1** The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

**13.2** The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

## **14 CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations.

## 15 Acceleration of the Bonds

- 15.1 The Bondholders have no right to accelerate the Bonds or otherwise request prepayment or redemption of the principal amount of the Bonds, except in the event of the liquidation (Sw. *likvidation*) of the Issuer (an “**Acceleration Event**”).
- 15.2 If an Acceleration Event has occurred, the Agent is, following the instructions of the Bondholders, authorised to (i) by notice to the Issuer, declare all, but not only some, of the outstanding Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- 15.3 The Issuer shall as soon as possible notify the Bondholders and the Agent of the occurrence of an Acceleration Event.

## 16 Distribution of Proceeds

- 16.1 In the event of the liquidation or bankruptcy of the Issuer, all payments by the Issuer relating to the Bonds 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 (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders’ 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 20.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders’ Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 17.5.11;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds not cancelled in accordance with Clause 8.2 (*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 Bonds; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 16.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1(a).

- 16.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16 as soon as reasonably practicable.
- 16.4 If the Issuer or the Agent shall make any payment under this Clause 16, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date.

## **17 Decisions by Bondholders**

### **17.1 Request for a decision**

- 17.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 17.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' 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 Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 17.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if:
- (a) the suggested decision must be approved by any person in addition to the Bondholders 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.
- 17.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 17.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 17.1.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the convening Bondholder(s) with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as

the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.

- 17.1.6** Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17.3 (*Convening of Bondholders' Meeting*) or instigate a Written Procedure by sending communication in accordance with Clause 17.4 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 20.4.3, 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 Bondholders' Meeting in accordance with Clause 17.3. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.
- 17.1.7** Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 17.1.5 or 17.1.6, 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 Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.
- 17.2 If any matter decided in accordance with this Clause 17 would require consent from the Swedish FSA, such consent shall be sought by the Issuer.

### **17.3 Convening of Bondholders' Meeting**

- 17.3.1** The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders 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 Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 17.3.2** The notice pursuant to Clause 17.3.1 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 Bondholder in order to be entitled to exercise voting rights;
  - (d) a form of power of attorney;
  - (e) the agenda for the meeting;
  - (f) any applicable conditions precedent and conditions subsequent;
  - (g) the reasons for, and contents of, each proposal;
  - (h) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
  - (i) if a notification by the Bondholders is required in order to attend the Bondholders' Meeting, information regarding such requirement; and



(j) information on where additional information (if any) will be published.

**17.3.3** The Bondholders' 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.

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

## **17.4 Instigation of Written Procedure**

**17.4.1** The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders 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 Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

**17.4.2** A communication pursuant to Clause 17.4.1 shall include:

- (a) a specification of the Record Date on which a person must be registered as a Bondholder 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 Bondholder 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 17.4.1);
- (d) any applicable conditions precedent and conditions subsequent;
- (e) the reasons for, and contents of, each proposal;
- (f) if a proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (g) if the voting is to be made electronically, the instructions for such voting; and
- (h) information on where additional information (if any) will be published.

**17.4.3** If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 17.4.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 17.5.2 and 17.5.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.5.2 or 17.5.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

**17.4.4** 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).

## **17.5 Majority, quorum and other provisions**

**17.5.1** Only a Bondholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Record Date specified in the notice pursuant to Clause 17.3.2, in respect of a Bondholders' Meeting, or
- (b) on the Record Date specified in the communication pursuant to Clause 17.4.2, in respect of a Written Procedure,

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

**17.5.2** The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.4.2:

- (a) a change to the terms of any provision in Clause 2 (*Status of the Bonds*);
- (b) a change to the Interest Rate (other than as a result of an application of Clause 19 (*Replacement of Base Rate*)) or the Nominal Amount;
- (c) a change to the terms for the distribution of proceeds set out in Clause 16 (*Distribution of proceeds*);
- (d) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 17.5 (*Majority, quorum and other provisions*); and
- (e) early redemption of the Bonds, other than as permitted by these Terms and Conditions (which for the avoidance of doubt shall always be subject to Clause 10.5 (*Consent from the Swedish FSA*) above).

**17.5.3** Any matter not covered by Clause 17.5.2 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.4.2. 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 18.1(a), (b), (c), (d) or (e)).

**17.5.4** Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17.5.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 17.3.4 (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 17.5.5** If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 17.5.6** If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17.3.1) or initiate a second Written Procedure (in accordance with Clause 17.4.1), as the case may be, provided that the person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 17.5.6, the date of request of the second Bondholders' Meeting pursuant to Clause 17.3.1 or second Written Procedure pursuant to Clause 17.4.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 17.5.4 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 17.5.7** 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.
- 17.5.8** A Bondholder holding more than one Bond 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.
- 17.5.9** The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that vote in respect of the proposal at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable.
- 17.5.10** A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders 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 Bondholders.
- 17.5.11** All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.5.12** If a decision is to be taken by the Bondholders 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 Bonds 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 Bondholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.

- 17.5.13** Information about decisions taken at a Bondholders' 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **18 Amendments and waivers**

- 18.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Bonds, provided that the Agent is satisfied that such amendment or waiver:

- (a) is not detrimental to the interest of the Bondholders as a group;
- (b) is made solely for the purpose of rectifying obvious errors and mistakes;
- (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority;
- (d) is required by the Swedish FSA for the Bonds to satisfy the requirements for Additional Tier 1 Capital under the Capital Regulations as applied by the Swedish FSA from time to time (provided that it is not detrimental to the interest of the Bondholders as a group);
- (e) such amendment is made in accordance with Clause 19 (*Replacement of Base Rate*); or
- (f) has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders.

- 18.2 Any amendments to the Finance Documents shall be made available in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 18.1(a), (c), (d) or (e), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.

- 18.3 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **19 Replacement of Base Rate**

### **19.1 General**

- 19.1.1** Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 19 shall at all times be made

by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

- 19.1.2** If a Base Rate Event has occurred, this Clause 19 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of STIBOR.

## **19.2 Definitions**

In this Clause 19:

**“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 (a) 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 19.3.4.

**“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 Bondholder 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 (Sw. *krishanteringsregelverket*) containing the information referred to in (b) above; or

- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (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 (Sw. *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 Bonds, 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), 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.

### **19.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments**

**19.3.1** Without prejudice to Clause 19.3.2, 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 19.3.2.

**19.3.2** 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.

**19.3.3** If the Issuer fails to appoint an Independent Adviser in accordance with Clause 19.3.2, the Bondholders shall, if so decided at a Bondholders’ 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 19.3.2. If the Issuer fails to carry out any other actions set forth in Clause 19.3 to 19.6, the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.

**19.3.4** 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**").

**19.3.5** 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.

## **19.4 Interim measures**

**19.4.1** 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.

**19.4.2** For the avoidance of doubt, Clause 19.4.1 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 19. This will however not limit the application of Clause 19.4.1 for any subsequent Interest Periods, should all relevant actions provided in this Clause 19 have been taken, but without success.

## **19.5 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 Bondholders by way of press release and the CSD. The notice shall also include information about the effective date of the amendments. If the Bonds are admitted to

trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

## **19.6 Variation upon replacement of Base Rate**

**19.6.1** No later than giving the Agent notice pursuant to Clause 19.5, 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 19.3.3) 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 19. 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 Bondholders.

**19.6.2** Subject to receipt by the Agent of the certificate referred to in Clause 19.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, 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 19.

**19.6.3** The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 19. 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.

## **19.7 Limitation of liability for the Independent Adviser**

Any Independent Adviser appointed pursuant to Clause 19.3 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.

## **20 The Agent**

### **20.1 Appointment of the Agent**

**20.1.1** By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds 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 Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer and in relation to any mandatory exchange of the Bonds for other securities (including, for the



avoidance of doubt, a right for the Agent to subscribe for any such new securities on behalf of the relevant Bondholder). By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 20.1.2** Each Bondholder 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 Bondholder which does not comply with such request.
- 20.1.3** 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.
- 20.1.4** The Agent is entitled to fees for all its work in such capacity 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.
- 20.1.5** 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.

## **20.2 Duties of the Agent**

- 20.2.1** The Agent shall represent the Bondholders in accordance with the Finance Documents.
- 20.2.2** When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.
- 20.2.3** When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 20.2.4** The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group 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.
- 20.2.5** The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. The Agent shall, however, remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 20.2.6** The Issuer shall on demand by the Agent pay all costs for external experts engaged by it:
  - (a) 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
  - (ii) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents;
- (b) in connection with any Bondholders' Meeting or Written Procedure; or
  - (c) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents (including for the purpose of deciding whether the conditions set out in Clause 18.1 are fulfilled).

**20.2.7** 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 16 (*Distribution of Proceeds*).

**20.2.8** 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.

**20.2.9** Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any breach of the Terms and Conditions has occurred, (ii) the financial condition of the Issuer and the Group, (iii) the performance or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iv) 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.

**20.2.10** The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 20.2.10. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

**20.2.11** 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 regulation.

**20.2.12** 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 Bondholders, 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.

**20.2.13** The Agent shall give a notice to the Bondholders:

- (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 20.2.12.

### **20.3 Liability for the Agent**

- 20.3.1** The Agent will not be liable to the Bondholders 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 or consequential loss.
- 20.3.2** 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 Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 20.3.3** 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 Bondholders, 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.
- 20.3.4** The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- 20.3.5** 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 Bondholders under the Finance Documents.

### **20.4 Replacement of the Agent**

- 20.4.1** Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2** Subject to Clause 20.4.6, 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.
- 20.4.3** A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a

Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

- 20.4.4** If the Bondholders 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 Bondholders,
- the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of market loans.
- 20.4.5** 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.
- 20.4.6** The Agent's resignation or dismissal shall only take effect upon the earlier of:
- (a) 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; and
  - (b) the period pursuant to Clause 20.4.4 having lapsed.
- 20.4.7** 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 Bondholders 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.
- 20.4.8** In the event that there is a change of the Agent in accordance with this Clause 20.4, 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.

## **21 The Issuing Agent**

- 21.1** 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 Bonds. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 21.2** 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 Bonds.

- 21.3 The Issuing Agent will not be liable to the Bondholders 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.

## **22 The CSD**

- 22.1 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 Bonds.
- 22.2 The CSD may 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 is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the admission to trading of the Bonds on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Central Securities Depository Regulation (Regulation (EU) No 909/2014) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

## **23 No direct actions by Bondholders**

- 23.1 A Bondholder 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 in any 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.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Bondholders 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 Bondholder to provide documents in accordance with Clause 20.1.2), 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 20.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.13 before a Bondholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of this Clause 23 are subject to the over-riding limitations in Clause 2 (*Status of the Bonds*).

## **24 Prescription**

- 24.1 The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. Subject to Clause 8.2 (*Interest cancellation*), the right to receive payment of interest (excluding any capitalised interest) shall be prescribed 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 Bondholders' right to receive payment has been prescribed and has become void.
- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and, subject to Clause 8.2 (*Interest cancellation*), 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.

## **25 Notices and press releases**

### **25.1 Notices**

- 25.1.1 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 (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such 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 on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
  - (c) if to the Bondholders, 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 Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 25.1.2 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 (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Agent or the Issuer, when received in readable form by the email recipient.
- 25.1.3 Any notice which shall be provided to the Bondholders 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 Bondholders to exercise their rights under the Finance Documents;
  - (ii) details of where Bondholders can retrieve additional information;
  - (iii) contact details to the Agent; and
  - (iv) an instruction to contact the Agent should any Bondholder wish to receive the additional information by regular mail; and
- (b) copies of any document needed in order for Bondholder to exercise their rights under the Finance Documents.

**25.1.4** Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## **25.2 Press releases**

If any information relating to the Bonds or the Issuer contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information.

## **26 Force Majeure and limitation of liability**

26.1 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.

26.2 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.

26.3 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **27 Governing law and jurisdiction**

27.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

27.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

## Addresses

### **Company**

Svea Bank AB  
Evenemangsgatan 31 A  
SE-169 81 Solna  
Sweden  
+ 46 (0)8-735 90 00  
[www.svea.com](http://www.svea.com)

### **Agent**

Intertrust (Sweden) AB  
Sveavägen 9  
SE-111 57 Stockholm  
Sweden  
+46 (0)8-402 72 00  
[www.intertrustgroup.com](http://www.intertrustgroup.com)

### **Issuing Agent and Sole**

#### **Bookrunner**

DNB Bank ASA, Sweden Branch  
Regeringsgatan 59  
SE-105 88 Stockholm  
Sweden  
+ 46 (0)8-473 41 00  
[www.dnb.se](http://www.dnb.se)

### **Legal Advisor**

Advokatfirman Vinge KB  
Smålandsgatan 20  
P.O. Box 1703  
SE-111 87 Stockholm  
Sweden  
+46 (0)10-614 30 00  
[www.vinge.se](http://www.vinge.se)

### **Central Securities Depository**

Euroclear Sweden AB  
Klarabergsviadukten 63  
P.O. Box 191  
SE-101 23 Stockholm  
Sweden  
+46 (0)8-402 90 00  
[www.euroclear.eu](http://www.euroclear.eu)