



Landshypotek Bank

**LANDSHYPOTEK BANK AB (publ)**  
(incorporated with limited liability in the Kingdom of Sweden)

**€10,000,000,000**

## **Euro Medium Term Note and S.O. Bond Programme**

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

The Notes and S.O. Bonds may be issued (i) in bearer form or (ii) in registered, uncertificated and dematerialised book-entry form (a) registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be, the *Verdipapirsentralen ASA* (respectively, the **VPS** and the **VPS Notes** or **VPS S.O. Bonds**, as the case may be) or (b) cleared through the Swedish Central Securities Depository and Clearing Organisation Euroclear Sweden AB (respectively, **Euroclear Sweden** and the **Swedish Notes** or **Swedish S.O. Bonds**, as the case may be). The Notes may be issued on a senior preferred basis (**Senior Preferred Notes**), on a senior non-preferred basis (**Senior Non-Preferred Notes**) or on a subordinated basis (**Subordinated Notes**), as specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes).

The maximum aggregate nominal amount of all Notes and S.O. Bonds from time to time outstanding under the Programme will not exceed €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (as defined under "*Subscription and Sale*")), subject to increase as described therein.

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

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

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 16 July 2019 on prospectuses for securities (the **Prospectus Act 2019**) and for the purposes of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the **Prospectus Regulation**) to approve this document as a base prospectus. On the approval of this document as a base prospectus by the CSSF, notification of such approval will be made to the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the **SFSA**) in its capacity as the competent authority of Sweden for the purposes of the Prospectus Regulation. The Offering Circular has been approved by the CSSF as competent authority under the Prospectus Regulation and the CSSF only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Offering Circular nor an endorsement of the quality of the Notes that are the subject of this Offering Circular. Investors should make their own assessment as to the suitability of investing in any such Notes or S.O. Bonds. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Offering Circular or the quality or solvency of the Issuer in accordance with Article 6(4) of the Prospectus Act 2019. Application has also been made to the Luxembourg Stock Exchange for Notes and S.O. Bonds issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. References in this Offering Circular to Notes or S.O. Bonds being **listed** (and all related references) shall mean that such Notes or S.O. Bonds have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended or superseded, **MiFID II**).

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes or S.O. Bonds which are to be admitted to trading on a regulated market in the European Economic Area or in the United Kingdom and/or offered to the public in the European Economic Area or in the United Kingdom other than in circumstances where an exemption is available under Article 3 of the Prospectus Regulation. References in this Offering Circular to **Exempt Notes/S.O. Bonds** are to Notes (**Exempt Notes**) and/or S.O. Bonds (**Exempt S.O. Bonds**) for which no prospectus is required to be published under the Prospectus Regulation. The CSSF has neither approved nor reviewed any information contained in this Offering Circular in connection with Exempt Notes/S.O. Bonds.

In respect of any Tranche (as defined herein) of Notes or S.O. Bonds issued under the Programme, notice of the aggregate nominal amount of such Notes or S.O. Bonds, interest (if any) payable in respect of such Notes or S.O. Bonds, the issue price of such Notes or S.O. Bonds and certain other information which is applicable to such Tranche will (other than in the case of Exempt Notes/S.O. Bonds) be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF and the Luxembourg Stock Exchange. Final Terms relating to Notes and S.O. Bonds to be listed on the Luxembourg Stock Exchange will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In respect of any Tranche of Exempt Notes/S.O. Bonds, notice of the aggregate nominal amount of such Notes or S.O. Bonds, interest (if any) payable in respect of such Notes or S.O. Bonds, the issue price of such Notes or S.O. Bonds and certain other information which is applicable to such Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes and S.O. Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets (including, without limitation, Nasdaq Stockholm (operated by Nasdaq Stockholm AB)) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and unlisted S.O. Bonds and/or Notes and S.O. Bonds not admitted to trading on any markets.

This Offering Circular shall remain valid for a period of 12 months after its approval until 4 May 2021 for admissions to trading on a regulated market, provided that it is completed by any supplement required pursuant to the Prospectus Regulation. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

As at the date of this Offering Circular, the long-term/short-term ratings of the Issuer are A/F1 by Fitch Ratings Ltd. (**Fitch**) and A/A-1 by S&P Global Ratings Europe Limited (**S&P**). The Programme has the following ratings from S&P: A (Senior Preferred Notes and Senior Preferred VPS

Notes with a maturity of one year or more); A-1 (Senior Preferred Notes and Senior Preferred VPS Notes with a maturity of less than one year); BBB+ (Senior Non-Preferred Notes and Senior Non-Preferred VPS Notes); BBB (Subordinated Notes and Subordinated VPS Notes); and AAA/Stable/A-1+ (senior secured S.O. Bonds and VPS S.O. Bonds with a maturity of one year or more). Please refer to the "General Information" section herein for an explanation of these ratings. Each of Fitch and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended or superseded) (the **CRA Regulation**). As such, each of Fitch and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation.

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

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*Arranger*  
**Swedbank**

*Initial Dealers*

**Handelsbanken Capital Markets**  
**SEB**  
**DNB Bank**

**Nordea**  
**Danske Bank**  
**Swedbank**

The date of this Offering Circular is 4 May 2020.

## IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus in respect of all Notes and S.O. Bonds other than Exempt Notes/S.O. Bonds issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Offering Circular and the Final Terms or Pricing Supplement, as the case may be, for each Tranche of Notes and S.O. Bonds issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Offering Circular is in accordance with the facts and the Offering Circular makes no omission likely to affect its import.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme or any Notes or S.O. Bonds. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme or any Notes or S.O. Bonds.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and the S.O. Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes or S.O. Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes or S.O. Bonds should purchase any Notes or S.O. Bonds. Each investor contemplating purchasing any Notes or S.O. Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes or S.O. Bonds constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes or S.O. Bonds.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes or S.O. Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes or S.O. Bonds of any information coming to their attention. Investors should review, *inter alia*, the most recently published financial statements of the Issuer incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes or S.O. Bonds.

### IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES AND S.O. BONDS GENERALLY

The Notes and S.O. Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the *Securities Act*) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes and S.O. Bonds may not be offered, sold or delivered within the United States or to U.S. persons (see "*Subscription and Sale*" below).

Notes or S.O. Bonds denominated in Norwegian Kroner may not be offered, sold or delivered in Norway to or for the benefit of persons domiciled in Norway, unless in compliance with the regulations relating to

the offer of VPS Notes or VPS S.O. Bonds and the registration of VPS Notes or VPS S.O. Bonds in the VPS.

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

The Notes or S.O. Bonds may not be a suitable investment for all investors. Each potential investor in the Notes or S.O. Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes or S.O. Bonds, the merits and risks of investing in the Notes or S.O. Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes or S.O. Bonds and the impact the Notes or S.O. Bonds will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or S.O. Bonds, including Notes or S.O. Bonds where the currency for principal or interest payments is different from currency in which such investor's financial activities are principally denominated;
- (iv) understands thoroughly the terms of the Notes or S.O. Bonds and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

#### **IMPORTANT – PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA AND UNITED KINGDOM RETAIL INVESTORS**

If the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes/S.O. Bonds) includes a legend entitled "*Prohibition of Sales to European Economic Area and United Kingdom Retail Investors*", the Notes or S.O. Bonds are not intended to be offered, sold or otherwise made available to and should

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

#### MI FID II PRODUCT GOVERNANCE / TARGET MARKET

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

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

#### BENCHMARKS REGULATION

Amounts payable under the Notes or S.O. Bonds may be calculated by reference to LIBOR, EURIBOR, STIBOR or NIBOR (each as defined in the Terms and Conditions of the Notes and S.O. Bonds), as specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes/S.O. Bonds), which are provided by ICE Benchmark Administration (*IBA*) (in the case of LIBOR), the European Money Markets Institute (*EMMI*) (in the case of EURIBOR), the Swedish Financial Benchmark Facility (the *SFBF*) (in the case of STIBOR) and Norske Finansielle Referanser AS (*NoRe*) (in the case of NIBOR). As at the date of this Offering Circular, IBA (as administrator of LIBOR) and EMMI (as administrator of EURIBOR) are included on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (as amended or superseded, the *Benchmarks Regulation*). As at the date of this Offering Circular, the SFBF and NoRe do not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the SFBF and NoRe are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

#### PRESENTATION OF INFORMATION

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

#### ALTERNATIVE PERFORMANCE MEASURES

Certain alternative performance measures (as defined in the ESMA Guidelines on Alternative

Performance Measures) (*Alternative Performance Measures* or *APMs*) are included in this Offering Circular. See "*General Information - Alternative Performance Measures*" below for more information.

#### STABILISATION

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

#### USE OF WEBSITES

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

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## DESCRIPTION OF THE PROGRAMME

The following description is an overview and does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes or S.O. Bonds, the applicable Final Terms (or, in the case of Exempt Notes/S.O. Bonds, the applicable Pricing Supplement). Words and expressions defined in "Form of the Notes" and "Form of the S.O. Bonds", "Terms and Conditions of the Notes", "Terms and Conditions of the VPS Notes", "Terms and Conditions of the S.O. Bonds" and "Terms and Conditions of the VPS S.O. Bonds" below shall have the same meanings in this overview. This Description of the Programme constitutes a general description of the Programme for the purposes of Article 25 of Commission Delegated Regulation (EU) 2019/980.

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

future claims of (x) depositors of the Issuer, and (y) other unsubordinated creditors of the Issuer (including holders of Senior Preferred Notes) that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer.

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

**Waiver of Set-Off:**

No Noteholder, who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be indebted to the Issuer, shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Senior Non-Preferred Notes and the Subordinated Notes held by such Noteholder.

**Status of S.O. Bonds:**

S.O. Bonds are issued on an unsubordinated basis and in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (*lagen (2003:1223) om utgivning av säkerställda obligationer*) (the **Swedish Act on Issuance of Covered Bonds**). As such they have the benefit of priority of claim to a cover pool of certain registered eligible assets upon bankruptcy of the Issuer. See also "*Overview of the Swedish Legislation Regarding Covered Bonds*" on pages 213 to 216 below.

**Certain Restrictions:**

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

**Issuing and Principal Paying Agent:**

Deutsche Bank AG, London Branch.

**Swedish Issuing Agent:**

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

**VPS Agent:**

DNB Bank ASA.

**VPS Trustee:**

Nordic Trustee AS.

**Programme Size:**

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

**Distribution:**

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

**Currencies:**

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

**Maturities:**

Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be

allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

**Issue Price:**

Notes and S.O. Bonds may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

**Form of Notes and S.O. Bonds:**

The Notes and S.O. Bonds (other than Swedish Notes, Swedish S.O. Bonds, VPS Notes or VPS S.O. Bonds) will be issued in bearer form as described in "*Form of the Notes*" and "*Form of the S.O. Bonds*", respectively.

The Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds will be issued in registered, uncertificated and dematerialised book-entry form and will not be evidenced by any physical note or document of title.

Entitlements to Swedish Notes or Swedish S.O. Bonds will be evidenced by book entries in the register for such Swedish Notes kept by Euroclear Sweden on behalf of the Issuer.

Entitlements to VPS Notes or VPS S.O. Bonds will be evidenced by the crediting of VPS Notes or VPS S.O. Bonds to accounts with the VPS.

Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds will not be exchangeable for bearer notes and vice versa. See "*Form of the Notes*" and "*Form of the S.O. Bonds*" below.

The applicable Final Terms (or, in the case of Exempt Notes/S.O. Bonds, the applicable Pricing Supplement) will state whether or not the relevant Notes or S.O. Bonds are to be Swedish Notes, Swedish S.O. Bonds, VPS Notes or VPS S.O. Bonds or neither.

**Fixed Rate Notes and S.O. Bonds:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Fixed Reset Notes:**

Fixed Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement) by reference to a mid-market swap rate for the relevant Specified Currency, and for a period equal to the reset period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

**Floating Rate Notes and S.O. Bonds:** Floating Rate Notes and Floating Rate S.O. Bonds will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes or the S.O. Bonds of the relevant Series); or
- (ii) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes/S.O. Bonds, the applicable Pricing Supplement).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes or Floating Rate S.O. Bonds.

Floating Rate Notes and Floating Rate S.O. Bonds may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Floating Rate S.O. Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

**Benchmark Replacement:**

In the event that a Benchmark Event occurs in relation to a Mid Swap Rate or a Reference Rate (as applicable) when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Mid Swap Rate or Reference Rate (as applicable), the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Benchmark Rate and, in either case, an Adjustment Spread, if any, as described in each of the Terms and Conditions of the Notes, Terms and Conditions of the VPS Notes, Terms and Conditions of the S.O. Bonds or Terms and Conditions of the VPS S.O. Bonds.

**Zero Coupon Notes and Zero Coupon S.O. Bonds:**

Zero Coupon Notes and Zero Coupon S.O. Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.

**Exempt Notes/S.O. Bonds:**

The Issuer may agree with any Dealer that Exempt Notes/S.O. Bonds may be issued in a form not contemplated by the Terms and Conditions of the Notes, Terms and Conditions of the VPS Notes, Terms and Conditions of the S.O. Bonds or Terms and Conditions of the VPS S.O. Bonds, in which event the relevant provisions will be included in a Pricing Supplement, which will replace, modify and/or supplement the relevant terms and conditions.

**Redemption:**

Save as provided below in relation to Senior Non-Preferred Notes and Subordinated Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the holders of Notes upon giving notice to the holders of Notes or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other

terms as may be agreed between the Issuer and the relevant Dealer.

Early redemption of the Senior Non-Preferred Notes (other than following an Event of Default) will only be permitted to the extent specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) (including, where so specified, upon the occurrence of a MREL Disqualification Event or a Tax Event). If required under applicable law or regulation, no such early redemption or purchase of Senior Non-Preferred Notes may be made without the prior consent of the Swedish National Debt Office (*Riksgäldskontoret*) (in its capacity as resolution authority) or any successor or replacement thereto and/or such other authority which has the primary responsibility for the prudential oversight and supervision of the Issuer or the Landshypotek Consolidated Situation, as the case may be, under the Applicable MREL Regulations. In certain circumstances, as an alternative to exercising any right to redeem Senior Non-Preferred Notes in advance of their scheduled maturity, the Issuer may be entitled to substitute or vary the terms of Senior Non-Preferred Notes so that they remain, or become, Senior Non-Preferred Qualifying Securities, as provided in Condition 7(1) of each of the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes.

Early redemption of the Subordinated Notes (other than following an Event of Default) will only be permitted to the extent specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) (including, where so specified, upon the occurrence of a Capital Event or a Tax Event). No such early redemption or purchase of Subordinated Notes may be made without the prior consent of the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the **SFSA**). In certain circumstances, as an alternative to exercising any right to redeem Subordinated Notes in advance of their scheduled maturity, the Issuer may be entitled to substitute or vary the terms of Subordinated Notes so that they remain, or become, Subordinated Qualifying Securities, as provided in Condition 7(1) of each of the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes.

Early redemption of S.O. Bonds will only be permitted to the extent specified in the applicable Final Terms (or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) and subject to applicable laws and regulations.

**Events of Default:**

If any of the limited events described in Condition 10(b) of each the Terms and Conditions of the Notes or the Terms and Conditions of the VPS Notes occurs (namely non-payment or certain events relating to the insolvency or liquidation of the Issuer), the holders of Senior Non-Preferred Notes and Subordinated Notes shall only be entitled to institute proceedings for the Issuer to be declared bankrupt or its winding-up or liquidation and prove or claim in the bankruptcy or liquidation of the Issuer. Holders may claim payment in respect of such Notes only in the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer.

**Extendable Obligations:**

In the case of S.O. Bonds, the applicable Final Terms (or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) may also provide that the Issuer's obligations to pay the Final Redemption Amount of the applicable Series of S.O. Bonds on their Maturity Date shall be deferred until the Extended Final Maturity Date, *provided that* any amount representing the amount due on the Maturity Date as set out in the applicable Final Terms (or, in the case of Exempt S.O.

Bonds, the applicable Pricing Supplement) (the **Final Redemption Amount**) due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date (or, in the case of Swedish S.O. Bonds, up to (but excluding) the relevant Extended Final Maturity Date). Such deferral will occur automatically if the Issuer fails to pay the Final Redemption Amount of the relevant Series of S.O. Bonds on their Maturity Date. Interest will continue to accrue on any unpaid amount and will be payable on each Interest Payment Date falling after the Maturity Date up to (but excluding) the Extended Final Maturity Date (or, in the case of Swedish S.O. Bonds, up to (and including) the Extended Final Maturity Date).

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

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

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

**Negative Pledge:** The terms of the Notes and the S.O. Bonds will not contain a negative pledge provision.

**Cross Default:** The terms of the Senior Preferred Notes will contain a cross default provision as further described in Condition 10(a) of the Terms and Conditions of the Notes and Condition 10(a) of the Terms and Conditions of the VPS Notes.

The terms of the Senior Non-Preferred Notes and Subordinated Notes will not contain a cross default provision.

The terms of the S.O. Bonds will not contain a cross default provision or any other events of default.

**Rating:** Each Tranche of Notes or S.O. Bonds issued under the Programme will be rated or unrated. Where a Tranche of Notes or S.O. Bonds is rated, such rating will be disclosed in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes/S.O. Bonds). The rating of any Tranche of Notes or S.O. Bonds will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A rating is not a recommendation to buy,

sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing and admission to trading:**

Application has been made to the CSSF to approve this document as a base prospectus. On the approval of this document as a base prospectus by the CSSF, notification of such approval will be made to the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the **SFSA**) in its capacity as the competent authority of Sweden for the purposes of the Prospectus Regulation. Application has also been made for Notes and S.O. Bonds issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. Notes and S.O. Bonds may be listed or admitted to trading, as the case maybe, on other or further stock exchanges or markets (including, without limitation, Nasdaq Stockholm (operated by Nasdaq Stockholm AB)) as may be agreed between the Issuer and the relevant Dealer in relation to each Series.

Notes and S.O. Bonds which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms (or, in the case of Exempt Notes/S.O. Bonds, the applicable Pricing Supplement) will state whether or not the relevant Notes or S.O. Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Terms and Conditions:**

The Terms and Conditions applicable to each Series of Notes or S.O. Bonds will be as agreed between the Issuer and the relevant Dealer at or prior to the time of issuance of the initial Tranche of such Series, and will be specified in the applicable Final Terms (or, in the case of Exempt Notes/S.O. Bonds, the applicable Pricing Supplement). The Terms and Conditions applicable to each Series of Notes will be those set out on pages 81 to 156 hereof (pages 81 to 120 in the case of Notes other than VPS Notes, and pages 121 to 156 in the case of VPS Notes) as completed by the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Terms and Conditions applicable to each Series of S.O. Bonds will be those set out on pages 157 to 208 hereof (pages 157 to 184 in the case of S.O. Bonds other than VPS S.O. Bonds, and pages 185 to 208 in the case of VPS S.O. Bonds) as completed by the applicable Final Terms (or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement).

**Governing Law:**

The Notes and S.O. Bonds and any non-contractual obligations arising out of or in connection with the Notes and S.O. Bonds will be governed by, and shall be construed in accordance with, English law, save for Conditions 2(b) and 2(c) of each of the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes, Condition 2 of the Terms and Conditions of the S.O. Bonds and the Terms and Conditions of the VPS S.O. Bonds and the provisions regarding meetings of holders of Swedish Notes and Swedish S.O. Bonds, which in each case will be governed by, and construed in accordance with, Swedish law, and Conditions 13, 14 and 16 of the Terms and Conditions of the VPS Notes and Conditions 11, 12 and 13 of the Terms and Conditions of the VPS S.O. Bonds, which will be governed by, and construed in accordance with Norwegian law.

The registration of the Swedish Notes and Swedish S.O. Bonds in the book-entry system and register maintained by Euroclear Sweden are governed by Swedish law and holders of Swedish Notes and Swedish S.O. Bonds will be entitled to the rights and are subject to the obligations and the liabilities which arise under the relevant Swedish

regulations and legislation.

VPS Notes and VPS S.O. Bonds must comply with the Norwegian Securities Register Act of 5 July 2002 no. 64, as amended from time to time, and the holders of VPS Notes and VPS S.O. Bonds will be entitled to the rights and are subject to the obligations and the liabilities which arise under the Act and any related regulations and legislation, including the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes and S.O. Bonds in the United States, the European Economic Area (including Sweden and Norway), the United Kingdom and Japan. See "*Subscription and Sale*". Certain other restrictions may apply in connection with the offering and sale of a particular Tranche of Notes and S.O. Bonds.

## **RISK FACTORS**

*In this section, material risk factors are illustrated and discussed, including economic and market risks, risks relating to the Issuer's business and legal and regulatory risks, as well as risks related to the structure of a particular issue of Notes or S.O. Bonds, risks related to Notes and S.O. Bonds generally and risks related to the market generally. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Offering Circular. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular, including the documents incorporated by reference, and reach their own views prior to making any investment decision.*

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

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

### **1. RISKS RELATING TO THE ISSUER**

#### **A. Economic and market risks**

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

Since 2017, the Issuer's operations consists also of lending to the Swedish residential mortgage market. Since the fall in house prices by approximately 10 per cent in late autumn 2017, prices have remained relatively stable in 2018 with a slight increase in prices in 2019 and so far in 2020 house prices have remained largely stable. However, there is a risk that housing prices may fall back slightly as interest rates may rise in the future. For example, with regard to new homes, there has recently been an increase of newly built multi-family dwellings, which is why that particular market segment could be subject to less demand in upcoming years, which could have a negative impact on the housing market. If the Swedish housing market were to decline, and demand for new loans, as a consequence, were to significantly decrease, this would negatively affect the demand for the Issuer's offerings of loans in the Swedish residential mortgage market, and thereby adversely affecting the Issuer's business, results of operations and margins. House prices may be negatively affected by, for example, changes in regulations affecting the Swedish mortgage market directly or indirectly or by a quick rise in interest rates or unemployment levels. Legal requirements such as further increased amortisation requirements or stricter caps on loan to value levels, may have an adverse effect on house prices and contribute to a reduction in lending growth. Furthermore, potential tightening of monetary policy can be expected to hold back price development. Any such changed regulations or upcoming tightening of monetary policies that hold back house price development would further accentuate the risk of decreased demand for new loans in general, including loans that could be originated by the Issuer.

One of the main risks related to the Swedish residential mortgage market is the credit risk associated with borrowers' creditworthiness, and their ability to pay under the mortgage loan, and with the value of the mortgaged properties. The relatively low risk profile among Swedish mortgage institutions reflects a high degree of lending to single-family homes, moderate loan-to-value ratios, high lending standards and a relatively strong repayment incentive among borrowers. However, it should be noted that the debt to income ratio of borrowers continues to increase, which is likely to increase the risk profile among the Issuer's customers in the event of rising interest rates.

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

The Issuer's core business is to offer mortgage loans to customers in the farming and forestry sector and to customers living on farms. The Issuer and its borrowers are therefore impacted by the trends and conditions in the agriculture and forestry sectors. Farmers have faced challenges due to the political climate globally such as the import restrictions on agricultural products introduced in 2014 by the Russian Federation. Furthermore, international rules and agreements regarding agricultural policy – such as the Common Agricultural Policy (the **CAP**), World Trade Organization (**WTO**) etc. – could have an impact on the credit

quality of the Issuer's customers in a long-term horizon, due to the level of state granted supports to that particular business or land type. The Issuer and its borrowers are further exposed to risks following political changes to the agriculture and forestry markets as a result of the global climate change challenges. Political decisions and changes to the Swedish and global agriculture and forestry market including (but not limited to) restrictions on pesticides and plant breeding could have an impact on the Issuer's customers' business.

Furthermore, in accordance with changes in market prices, the prices for agriculture and forestry assets will vary over time. For example, there is a risk that storms and extensive bark beetle infestations causes damages to the forests and in turn an increase of the supply for forest raw materials, which in combination with weaker demand is likely to negatively affect the market balance. If the market value for a forest produced commodity, such as pulpwood, is materially reduced there is a risk that the forestry asset which the commodity derives from similarly will decrease in value, which will have a negative affect on the borrowers' asset and therefore ultimately affect the Issuer.

Political uncertainty globally, volatile agriculture policy, climate change challenges and fluctuations in market prices for forestry and agricultural commodities may adversely affect the Swedish agriculture and forestry market and in turn the Issuer's business and results of operations.

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

The Issuer is subject to risks related to the global credit markets and economy, since financial institutions, both in Sweden and globally, are dependent on the global credit market and economy being strong, so that people are willing and able to take up loans. Any disruption or downturn in the global credit markets and economy would typically thus affect the Issuer, both in respect of financial performance and growth possibilities. Any downturn in the economy together with an increase in unemployment levels would contribute to slower growth in household disposable income and higher savings and thereby accentuate these risks. As a result, the Issuer may also be affected by public health epidemics or outbreaks of diseases that may negatively affect the global or domestic economy, such as the recent coronavirus outbreak that started in China in late-2019 as an epidemic and later turned into a pandemic by spreading across the world, including Sweden.

The coronavirus outbreak has disrupted various markets and resulted in uncertainty about the development of the economies affected by the outbreak on a global scale. The Issuer's business is located entirely in Sweden, which has been affected by the coronavirus outbreak in a similar manner as a number of other European countries. The Issuer could be affected by the coronavirus outbreak through its direct and indirect impact on, among others, its customers and other counterparties both in Sweden and elsewhere, as a result of, among others, public health measures, such as business closings and restrictions on travel and gatherings. The coronavirus outbreak could also have a longer term impact on the state of the domestic Swedish economy on which the Issuer is largely dependent by creating significant economic turbulence and falling growth. The exact ramifications of the coronavirus outbreak remain uncertain and, as of the date of this Offering Circular, it is difficult to predict the effect or duration of the pandemic on global and local economies. However, there can also be no assurances that the adverse impact of the coronavirus outbreak will not lead to a tightening of liquidity conditions or funding uncertainty. Any of the foregoing, and any future adverse conditions related to the coronavirus outbreak not yet known, could have a material adverse effect on the Issuer's business, financial condition and results of operations. There is also a risk that the Issuer's ability to raise debt in a similar manner, and at a similar cost, to the funding raised in the past, and its ability to raise debt in the international capital markets could be affected. If the Issuer's funding costs substantially increases, including due to changes in interest rates, exchange rates and returns from equity, property and other investments, this would have a negative impact on the financial performance of the Issuer.

#### ***Risks relating to the Issuer's collateral***

Given that a considerable part of the Issuer's loans are secured by mortgage certificates (*pantbrev*) in properties located in Sweden, the Issuer's credit risk is partly related to the performance of the real estate and agricultural and forestry market in Sweden. There can be no guarantees regarding the future development of the value of the collateral. Should the prices of real property and the agricultural and forestry market substantially decline, for example due to circumstances explained under this category "*Economic and market risks*", this would affect the Issuer, as the value of the collateral would decline. Furthermore, when collateral is enforced, a court order may be needed to establish the borrower's obligation to pay and to enable a sale by execution measures. The Issuer's ability to enforce the collateral without the

consent of the borrower is thus dependent on the above-mentioned decisions from a court and the execution measures and on other relevant circumstances in the mortgage market and in the demand for the relevant real property. If the Issuer's credit losses increase due to the fact that principal and interest under defaulting loans cannot be recovered where the relevant collateral has decreased in value, this would have a negative impact on the Issuer's result of operations.

### ***Systemic risk***

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

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

### ***Credit risk***

Since the Issuer conducts lending operations, credit risk is central to the Issuer's business model and is considered to be the dominant risk in its operations. Credit risk in the Issuer's operations arises if one or more borrowers do not fulfil their payment obligations towards the Issuer. Credit risk also includes concentration risk, being risks related to large (connected) individual exposures and significant exposures to groups of counterparts whose likelihood of default is driven by common underlying factors, e.g. sector, economy, geographical location or instrument type. Counterparty risk arises if the value of the instrument changes resulting from variations, for example, interest rates or currency exchange rates, which means the Issuer recognises a receivable against the counterparty. In addition, counterparty risk is the risk that the Issuer's financial counterparties cannot meet their commitments under the contracted repos.

Should any such credit risk materialise, there is a risk of an increase in the number of loans not being paid. It would also require the Issuer to take measures to collect such defaulted loans, which might be costly and unsuccessful. Risks arising from the credit quality of borrowers and counterparties and the recoverability of loans and amounts due from counterparties in derivative transactions are inherent in the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties or a general deterioration in the Swedish, European or global economic conditions, or arising from systemic risks in the financial systems, would affect the recoverability and value of the Issuer's assets and require an increase in the Issuer's provision for bad and doubtful loans and other provisions.

### ***Liquidity risk***

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

***The Issuer's funding costs and its access to the debt capital markets depend significantly on its credit ratings***

The Issuer is dependent upon the debt capital markets as a source of debt capital. Any downgrade of the Issuer's credit ratings is likely to increase the Issuer's borrowing costs, adversely affect the liquidity position of the Issuer, limit its access to the capital markets or undermine confidence in and the competitive position of the Issuer under certain bilateral terms in some of its trading and collateralised financing contracts, including requiring the provision of additional collateral as well as limiting the range of counterparties willing to enter into transactions with the Issuer. Any of the events above could have a material adverse effect on the Issuer's business and results of operations.

### ***Market risk***

Market risk is the risk of loss or reduced future income due to market fluctuations. The Issuer's market risk includes interest-rate risk, currency risk, basis-spread risk and credit-spread risk. Interest-rate risks arise when interest fixing periods or interest bases for assets and liabilities are mismatched. Since the Issuer conducts lending operations, the Issuer is largely dependent on interest-rate levels as interest rates are the single most important factor that affects margins in connection with lending. Currency risks arise when the present value of assets and liabilities, including derivative positions, in a foreign currency are mismatched. Since the Issuer may have parts of its financing in currencies other than SEK, it is exposed to currency risks. Substantial changes in exchange rates would impose a risk of financial losses on the Issuer. A liquid derivative market enabling the Issuer to swap foreign currencies and interest rates is therefore essential, and any significant disruption in the access to such market would harm the Issuer. Basis-spread risk refers to the risk associated with derivative transactions that are used to hedge financing in currencies other than SEK. Credit-spread risk refers to the assets in the liquidity-buffer that is exposed to changing conditions between the different issuers' interest costs and the risk free interest rate.

## **C. Internal and operational control risks**

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

The Issuer is dependent on the ability to keep customer information and to process transactions as well as on internal and external systems for its loan distribution. The Issuer's business is thus dependent on the IT-systems to serve customers, support the Issuer's business process, ensure complete and accurate processing of financial transactions and support the overall internal control framework. Disruptions in the Issuer's IT or other systems may have a material adverse effect on the Issuer's ability to conduct its business and furthermore its financial condition and results of operations. Disruptions may, for example, be caused by internal factors, such as larger projects for replacing or upgrading existing IT platforms and/or systems, or by external factors, such as the availability of experts vital for technical support or completion of embarked projects.

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

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

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

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer or the Group (as defined under "*Information Relating to the Issuer*") will be unable to comply with its obligations as a company with securities admitted to the Official List of the Luxembourg Stock Exchange or as a supervised firm regulated by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the **SFSA**).

Moreover, similar to all major financial institutions, the Issuer's activities are subject to cyber-related risks, such as ransomware attacks and denial of service attacks, the nature of which is continually evolving. There is also a risk of blackmail attempts and the disclosure of sensitive or confidential information, which would create significant financial and legal exposure, and damage the Issuer's reputation and brand. Cybersecurity risks are foremost related to the Issuer's internet bank users and include fraudulent transactions, identity theft, potential unauthorised access to privileged and sensitive customer information including account information. The Issuer may experience security breaches or unexpected disruptions to its systems and services in the future, which could, in turn, result in liabilities or losses to the Issuer, its customers and/or third parties and have an adverse effect on the Issuer's business, reputation, brand and results of operations.

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

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

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

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

The Issuer's performance is dependent on the talent, experience and commitments of highly skilled individuals. The Issuer's ability to compete effectively in its businesses is dependent on its ability to retain and motivate its existing employees and, where necessary, recruit skilled employees. The Issuer's ability to develop its business depends on its ability to recruit, retain and motivate personnel, particularly in light of the rapid pace of technological advances and the increasing complexity of financial markets and their regulatory landscape. Competition from within the financial services industry and from businesses outside the financial services industry for qualified employees is intense and an inability to attract, keep and if necessary recruit skilled personnel might have adverse effect on the financial performance of the Issuer.

#### ***Compliance risks***

The banking and financing sector is heavily regulated and the Issuer's business is subject to regulation and regulatory supervision pursuant to numerous directives, laws, regulations and policies issued by, *inter alia*, the EU and Sweden. Any significant regulatory developments could have an effect on how the Issuer conducts its business and on the Issuer's results of operations. This supervision and regulation, in particular in the EU and Sweden, if changed, could materially affect the Issuer's business, the products and services it offers or the value of its assets.

The management of business, regulatory and legal risks requires, among other things, guidelines and policies for the accurate registration and control of a large number of transactions and events. However,

there is a risk that such guidelines and policies are not always adequate and compliant with applicable regulations. Some methods used by the Issuer to estimate, measure and manage risk are based on perceived historic market behaviour and may therefore prove to be inadequate for predicting future risk exposure. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to the Issuer. Such information has not always been and may not always be accurate or correctly evaluated or a reliable indicator of default and may therefore be inadequate for the purpose of risk management. Non-compliance with, as well as deficiencies in, guidelines and policies for risk management that leads to negative publicity or criticism from the SFSA or other regulators within the financial sector would have a material adverse effect on the Issuer's reputation. Furthermore, any non-compliance that would lead to fines from the SFSA or other regulators require the Issuer to pay amounts (which may be significant) and take measures to ensure compliance.

As a lender to individuals, the Issuer processes large quantities of personal data on its customers. Such processing of personal data is subject to extensive regulation and scrutiny following the implementation of the general data protection regulation 2016/679/EU (**GDPR**) that became applicable as of 25 May 2018. Efforts to continuously ensure compliance with the GDPR is time-consuming and costly. Any non-compliance with applicable data protection legislation risks leading to substantial administrative fines and other actions which would have a material effect on the ability of the Issuer to conduct its business, such as a temporary or permanent ban on data processing. Any administrative or monetary sanctions (including administrative fines of up to the greater of EUR 20 million or 4.0 per cent of the total annual turnover) would adversely affect the Issuer's business, financial condition and results of operations.

#### ***Environmental and corporate sustainability risks***

The Issuer's customers are exposed to environmental risks. Environmental risk is defined as natural disasters such as droughts, storms, pollutions and animal diseases. An outburst of a disease or a natural disaster striking a specific land area, could adversely affect the value of the property or business, leading to deterioration of the collateral value and/or the customer migrating to less favourable credit classes. In addition, there is a risk that the Issuer's operations have a direct or indirect negative effect on, or are directly or indirectly negatively affected by, the climate and the environment, human rights and working conditions (including social conditions and personnel-related matters), anti-corruption efforts and financial criminality.

### **D. Legal and regulatory risks**

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

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

The capital adequacy framework include, *inter alia*, minimum capital requirements for the components in the capital base with the highest quality: common equity tier 1 (**CET 1**), additional tier 1 capital and tier 2 capital. CRR II also introduces a binding leverage ratio requirement (i.e. a capital requirement independent from the riskiness of the exposures, as a backstop to risk-weighted capital requirements) for all institutions subject to the CRR. In addition to the minimum capital requirements, CRD IV provides for further capital buffer requirements that are required to be satisfied with CET1 capital. Certain buffers may be applicable to the Issuer as determined by the SFSA. The countercyclical buffer rate is a capital requirement which varies over time and is to be used to support credit supply in adverse market conditions. On 19 September 2019, the countercyclical capital buffer for Sweden was increased from 2.0 per cent to 2.5 per cent. However, due to the coronavirus outbreak, the SFSA has recently decided to decrease the countercyclical buffer to 0.00 per cent, which applies as of the date of this Offering Circular. A breach of the combined buffer requirements is likely to result in restrictions on certain discretionary capital distributions by the Issuer, for example, dividends on CET1 and coupon payments on tier 1 capital instruments.

For the period 31 December 2018 to 31 December 2020, the SFSA has changed the method for applying the risk-weight floor for Swedish mortgages. The change has increased the Issuer Pillar 1 Risk Exposure Amount (**REA**) significantly, but is not viewed to have any material effect on the total (Pillar 1 and Pillar 2) capital requirement in nominal terms. Given the increase in REA the applicable capital requirements ratios and the actual capital ratios of the Issuer have decreased (as a percentage of REA), which means that the headroom to the capital level at which dividend and discretionary distribution restrictions automatically come into force has reduced when compared to previous periods.

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

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

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

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

The BRRD contains a number of resolution tools and powers which may be applied by the resolution authority (in Sweden the Swedish National Debt Office (*Riksgäldskontoret*)) upon certain conditions for resolution being fulfilled. These tools and powers may be used alone or in combination, and include, *inter alia*, a general power to write-down all or a portion of the principal amount of, or interest on, certain eligible liabilities, whether subordinated or unsubordinated, of the institution in resolution and/or to convert certain unsecured debt claims, including claims under the Senior Notes, Senior Non-Preferred Notes and Subordinated Notes, into any other security, including CET 1 instruments of the surviving entity, which equity could also be subject to any further application of the general bail-in tool. This means that most of such failing institution's debt (including, in the case of the Issuer, Notes issued under the Programme) could be subject to bail-in, except for certain classes of debt, such as certain deposits and secured liabilities. In addition to the general bail-in tool, the BRRD provides for relevant authorities to have the power, before any other resolution action is taken, to permanently write-down or convert into equity relevant capital instruments (such as the Subordinated Notes) at the point of non-viability. Ultimately, the authority may take control of a failing institution and, for example, transfer the institution to a private purchaser or to a publicly controlled entity pending a private sector arrangement. All these actions can be taken without any prior shareholder approval.

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

instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or discontinuing the listing and admission to trading of debt instruments. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of holders of Notes or S.O. Bonds, the price or value of Notes or S.O. Bonds and/or the ability of the Issuer to satisfy its obligations under the Notes or S.O. Bonds.

It is not possible to predict exactly how the powers and tools of the Swedish National Debt Office provided in the BRRD (as implemented into Swedish law) will affect the Issuer, or the Noteholders. However, the powers and tools given to the Swedish National Debt Office are numerous and the exercise of any of those powers or any suggestion of such exercise would, therefore, materially adversely affect the rights of Noteholders (should the Notes be written-down or converted to other securities as set out above), the price or value of the Notes (should the secondary market not trade the Notes at their nominal amount) and/or the ability of the Issuer to satisfy its obligations under the Notes (should the resolution authority take control over the Issuer in certain scenarios).

#### ***Minimum requirement for own funds and eligible liabilities under the BRRD***

In order to, among other things, ensure the effectiveness of bail-in and other resolution tools, all in-scope institutions must have sufficient own funds and eligible liabilities available to absorb losses and contribute to recapitalisation if the bail-in tool were to be applied. Each institution must meet an individual minimum requirement for own funds and eligible liabilities (**MREL**), calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities (the Swedish National Debt Office for Sweden) on a case by case basis.

The MREL requirement has been required to be met as from 1 January 2018 (the liabilities proportion principle). On 18 June 2018 the Swedish National Debt Office announced and clarified the MREL requirement of the Issuer which means that by 1 January 2022 at the latest, the requirement must be fully met with subordinated and non-preferred liabilities (the subordinated and non-preferred liabilities principle). As a result, the Issuer will be required to issue an amount of additional eligible liabilities in the form of Senior Non-Preferred Notes or other MREL eligible liabilities in order to meet the new MREL requirements within the required timeframes. If the Issuer was to experience difficulties in raising such eligible liabilities, it would have to reduce its lending or investments in other operations. This is likely to lead to a decrease in the Issuer's revenue which, if its costs remain unchanged, would decrease its operating result. Further, given that the MREL requirements must be met by all EU credit institutions (not just to those identified as being of a particular size or of systemic importance), there is a risk that there is not a sufficient investor appetite in the debt markets for the aggregate volume of eligible liabilities which must be issued up until 1 January 2022, which would have a negative effect on the price and value of such instruments.

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

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

The application of any non-viability loss absorption measure may result in holders of Subordinated Notes losing some or all of their investment. Any such conversion to equity or write-off of all or part of an investor's principal (including accrued but unpaid interest) shall not constitute an Event of Default and holders of Subordinated Notes will have no further claims in respect of any amount so converted or written off. The exercise of any such power may be inherently unpredictable and may depend on a number of factors which may be outside the Issuer's control. Any such exercise, or any suggestion that the

Subordinated Notes could become subject to such exercise, could, therefore, materially adversely affect the value of the Subordinated Notes.

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

The Issuer's business is subject to a regulatory framework which requires the Issuer to take measures to counteract money laundering and terrorist financing within its operations. Criminal activity within the banking industry, in which the Issuer operates, has been increasingly uncovered in recent years. This area, not least the issue of money laundering, received particularly intense media in the two last years and so far also in 2020. As a bank, the Issuer is subject to a regulatory framework which requires the Issuer to take measures to among other things counteract money laundering. There is a risk that the Issuer's procedures, internal control functions and guidelines to counteract money laundering and terrorist financing are not sufficient or adequate to ensure that the Issuer complies with the regulatory framework. This may result from, for example, insufficient procedures, internal control functions or guidelines, or errors by employees, suppliers or counterparties.

Failure to comply with the applicable rules and regulations could result in legal implications. If the Issuer were to become subject to remarks or warnings and/or administrative fines imposed by the SFSA, this could cause significant, and potentially irreparable, damage to the reputation of the Issuer and, as a result, the Issuer's business, financial position and results of operations could be materially adversely affected.

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

The Issuer's business and transactions are conducted in accordance with the Issuer's interpretation of applicable laws, tax treaties, regulations, case law and requirements of the tax authorities. However, there can be no assurance that its interpretation of applicable laws, tax treaties, regulations, case law or other rules or administrative practice is correct, or that such rules or practice will not change, possibly with retroactive effect. Future changes to applicable tax laws and rules could adversely affect the Issuer's business, financial condition and results of operations.

For example, in 2018, the then-current Swedish government presented a proposal for tax on financial services. The proposal has not yet led to any legislation, but in August 2019 the current government revisited this and expressed its intention to introduce such tax in 2022. The details of the tax are yet to be confirmed and there is a risk that the suggestion, if implemented, will increase the Issuer's tax costs.

#### ***Risks relating to changes in accounting standards***

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

In July 2014, the IASB issued a new accounting standard, International Financial Reporting Standard 9 (Financial Instruments) (**IFRS 9**), which replaces IAS 39 and IAS 32 and became effective from 1 January 2018. IFRS 9 provides principles for classification of financial instruments, and provisioning for expected credit losses which are mandatory, and therefore fully implemented by the Issuer, as of 1 January 2018. Furthermore, IFRS 9 provides a new general hedge accounting model that is not yet mandatory, which is why it is currently not possible to determine the extent of the impact of that implementation of the hedge accounting model will have on CET 1 capital as the new rules for the transition, and its impact on capital ratios, are not yet final. As a consequence of the new general hedge accounting model under IFRS 9, and the uncertainty regarding its implementation, the Issuer may need to obtain additional capital in the future, and may not be able to obtain new equity capital or debt financing qualifying as regulatory capital on attractive terms, or at all.

#### ***Changes to the Swedish Deposit Insurance Scheme***

The Swedish Deposit Insurance Scheme (**SDIS**) guarantees the depositors' deposits in the event the Issuer is declared bankrupt or if the SFSA determines that the SDIS should be activated in a given situation. The SDIS is administered by the Swedish National Debt Office. If activated, the insurance guarantees each customer compensation amounting to the value of the total funds in his or her account(s) with the Issuer, plus accrued interest, until the time of bankruptcy or the SFSA's activation decision. The maximum

compensation is an amount of SEK 950,000, with some exceptions. There is a risk that regulatory changes which decrease the maximum compensation amount or change the SDIS are implemented, which could have a negative effect on the amount of customer savings deposit currently held with the Issuer. This is likely to have a negative effect on the Issuer's business and liquidity (should its number of depositors decrease), funding and financial condition (should its assets decrease if depositors withdraw their deposits) and results of operations (should its liquidity and funding costs increase if the deposits decrease).

### ***Harmonisation of the EU covered Bond framework***

The European Union's covered bond directive and regulation came into effect on 7 January 2020 (although there will be a maximum 30 month transposition period after the effective date for the new directive and the new regulation will become applicable during July 2021). The new covered bond directive replaces current Article 52(4) of the UCITS Directive, establishes a revised common base-line for the issue of covered bonds for EU regulatory purposes (subject to various options that members states may choose to exercise when implementing the new directive through national laws). The new regulation amends Article 129 of the CRR (and certain related provisions) and further strengthens the criteria for covered bonds that benefit from preferential capital treatment under the CRR regime. Certain changes will likely be made to the Swedish Act on Issuance of Covered Bonds and the SFSA Regulations, but no draft legislation for the Swedish implementation of the European Union's covered bond directive has yet been presented. Hence, it is still unclear how the European Union's covered bond directive will affect the Swedish legislation governing covered bonds. Therefore, there can be no assurances or predictions made as to the precise effect of the new regime on the S.O. Bonds.

In addition, the new covered bond directive provides for permanent grandfathering with respect to certain requirements of the new regime for Article 52(4) UCITS Directive-compliant covered bonds issued by an issuer with its registered office in an EU member state before the relevant application date, provided there is continued supervision by the relevant designated competent authority in the EU (similar grandfathering provisions are also set out in the new regulation).

## **2. RISKS RELATED TO THE NOTES AND S.O. BONDS ISSUED UNDER THE PROGRAMME**

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

#### **A. Risks related to the structure of a particular issue of Notes or S.O. Bonds**

##### ***Notes or S.O. Bonds subject to optional redemption by the Issuer***

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

The Issuer may be expected to redeem Notes or S.O. Bonds when its cost of borrowing is lower than the interest rate on the Notes or S.O. Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes or S.O. Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

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

##### ***Fixed/Floating Rate Notes and S.O. Bonds***

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

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

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

***Notes and S.O. Bonds issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

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

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

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that a green bond will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of a green bond. The Issuer has published a framework relating to an investment in green bonds which is available on the Issuer's website ([www.landshypotek.se](http://www.landshypotek.se)).

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any green bonds in order to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is

not, nor shall be deemed to be, incorporated in and/or form part of this Offering Circular. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such green bonds. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such green bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

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

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

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

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

The Benchmarks Regulation has applied since 1 January 2018, subject to certain transitional provisions. The Benchmarks Regulation could have a material impact on any Notes or S.O. Bonds linked to LIBOR, EURIBOR, STIBOR, NIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmarks Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be

licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmarks Regulation and other applicable regulations, and the risks associated therewith.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks. Uncertainty about the future of benchmarks, any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have an adverse effect on the value of, and return on, any Notes or S.O. Bonds linked to a benchmark and the trading market for such Notes or S.O. Bonds.

Specifically, regulatory authorities and central banks are strongly encouraging the transition away from IBORs, such as LIBOR and EURIBOR, and have identified 'risk free rates' to replace such IBORs as primary benchmarks. This includes (amongst others) (i) for GBP LIBOR, the Sterling Overnight Index Average (**SONIA**), so that SONIA may be established as the primary sterling interest rate benchmark by the end of 2021, (ii) for USD LIBOR, the Secured Overnight Financing Rate (**SOFR**) to be eventually established as the primary US dollar interest rate benchmark, and (iii) for EURIBOR (and also EONIA, which is scheduled to be discontinued on 3 January 2022), a new Euro Short-Term Rate (**€STR** or **EuroSTR**) as the new euro risk-free rate. The reform and eventual replacement of IBORs with risk-free rates cause the relevant IBOR to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. These risk-free rates may have a different methodology and other important differences from the IBORs they will eventually replace. Any of these developments could have a material adverse effect on the value of and return on any Notes or S.O. Bonds linked to any such rates.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, United Kingdom, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, value of and return on any Notes or S.O. Bonds linked to such benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes or S.O. Bonds linked to a benchmark.

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

On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority confirmed that it will no longer persuade or compel banks to submit rates for the calculation of any LIBOR rates after 2021. The announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021 and, accordingly, that all LIBOR rates may be discontinued by, or soon after, 31 December 2021. The potential elimination of the LIBOR benchmark could require an adjustment to the Terms and Conditions, or result in other consequences, in respect of any Notes or S.O. Bonds linked to LIBOR. Any such consequences could have a material adverse effect on the value and return on any such Notes or S.O. Bonds.

Investors should be aware that if LIBOR were discontinued or to be otherwise unavailable, the rate of interest on Floating Rate Notes or Floating Rate S.O. Bonds which reference LIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes or S.O. Bonds. Depending on the manner in which the LIBOR benchmark is to be determined under each of the Terms and Conditions Notes, the Terms and Conditions of the VPS Notes, the Terms and Conditions of the S.O Bonds and the Terms and Conditions of the VPS S.O. Bonds, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR benchmark which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes or Floating Rate S.O. Bonds which reference LIBOR.

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

The use of a Successor Rate or an Alternative Benchmark Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Notes or S.O. Bonds if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Issuer fails to agree a Successor Rate or an Alternative Benchmark Rate or adjustment spread, if applicable with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or adjustment spread, if applicable in a situation in which it is presented with a conflict of interest. The Issuer has also undertaken in the Terms and Conditions of the Notes, Terms and Conditions of the VPS Notes, Terms and Conditions of the S.O. Bonds and Terms and Conditions of the VPS S.O. Bonds that it will not make any amendment pursuant to each of the Terms and Conditions of the Notes, Terms and Conditions of the VPS Notes, Terms and Conditions of the S.O. Bonds and Terms and Conditions of the VPS S.O. Bonds if to do so could reasonably be expected to prejudice the qualification of the Notes or S.O. Bonds as, in the case of the Senior Non-Preferred Notes, eligible liabilities and/or loss-absorbing capacity or, in the case of the Subordinated Notes, Tier 2 Capital of the Issuer and/or the Landshypotek Consolidated Situation.

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

The market continues to develop with respect to SONIA, SOFR and €STR as reference rates in the capital markets and their adoption as an alternative to the relevant LIBOR rate or EURIBOR (as the case may be). In particular, whilst Notes or S.O. Bonds may be issued under the Programme that reference SONIA, SOFR or €STR using a compounded in arrear or weighted average formula, it is possible that the market or a significant part thereof may adopt a different application of such rate. For example, the U.S. Federal Reserve Bank of New York has commenced publication of a compounded average of daily SOFR rates and index. Furthermore, in February 2020, the Bank of England released a discussion paper in which it stated its intention to publish a daily SONIA compounded index and that it is considering whether to publish a set of compounded SONIA period averages. Further, it is anticipated that term SOFR and SONIA reference rates (which seek to measure the market's forward expectation of an average SOFR or SONIA rate over a designated term) will be published from 2021. The key terms to calculate and determine the applicable SONIA, SOFR or €STR reference rate, such as for example the compounding structure applied (if any), the use of term rates (if any), the spread over the index reflected in interest rate provisions or the applicable observation method, may evolve over time in the debt capital markets and trading prices of Notes or S.O. Bonds that reference SONIA, SOFR or €STR as the Reference Rate may be lower than those of later-issued indexed debt securities as a result.

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

The manner of adoption or application of SONIA, SOFR and €STR reference rates in the debt capital markets may differ materially compared with the application and adoption of SOFR, SOFR and €STR in

other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes or S.O. Bonds referencing SONIA, SOFR or €STR.

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

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

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

Because SONIA, SOFR and €STR are published based on data received from a variety of sources, the Issuer has no control over their methods of calculation, publication schedule, rate revision practices or availability at any time without notice. There can be no guarantee, particularly given the relatively recent introduction and publication of these rates and their adoption as replacements for LIBOR and EURIBOR, that these rates will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes or S.O. Bonds that reference SONIA, SOFR or €STR as the Reference Rate (as the case may be). If the manner in which SONIA, SOFR or €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Notes and S.O. Bonds and the trading prices of the Notes and S.O. Bonds. In addition, the Bank of England, the Federal Reserve Bank of New York or the ECB may withdraw, modify or amend published data relating to SONIA, SOFR or €STR (as the case may be) in its sole discretion and without notice. The interest rate under the Notes or S.O. Bonds for any day will not be adjusted for any modifications or amendments to data that the Bank of England, the Federal Reserve Bank of New York or the ECB may publish after the interest rate for that day has been determined.

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

## **B. Risks related to Notes and S.O. Bonds generally**

### *Noteholders are subject to credit risk on the Issuer*

Noteholders take a credit risk on the Issuer. A Noteholder's ability to receive payment under the Notes is dependent on the Issuer's ability to fulfil its payment obligations, which in turn is dependent upon the financial condition and viability of the Issuer.

### *Meetings of holders of Notes or S.O. Bonds, modification and waivers*

The Terms and Conditions of the Notes and the Terms and Conditions of the S.O. Bonds each contain provisions for calling meetings of holders of Notes or S.O. Bonds (other than holders of Swedish Notes or Swedish S.O. Bonds), as the case may be, to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the relevant Series of Notes or S.O. Bonds including holders of such Notes or S.O. Bonds who did not attend and vote at the relevant meeting and holders of such Notes or S.O. Bonds who voted in a manner contrary to the majority. The decision of the majority may not be, or be perceived to be, in the interests of individual holders of Notes or S.O. Bonds who did not vote in the same way as the majority.

### *Change of law*

The Terms and Conditions of the Notes and the Terms and Conditions of the S.O. Bonds are based on English law (save that Conditions 2(b) and 2(c) of the Terms and Conditions of the Notes and the VPS Notes and Condition 2 of the Terms and Conditions of the S.O. Bonds and the VPS S.O. Bonds are governed by the laws of Sweden and Conditions 13, 14 and 16 of the VPS Notes and Conditions 11, 12 and 13 of the VPS S.O. Bonds are governed by the laws of Norway) in effect as at the date of issue of the relevant Notes or S.O. Bonds. No assurance can be given as to the impact of any possible judicial decision or change to English law, Swedish law or Norwegian law, as the case may be, or administrative practice after the date of issue of the relevant Notes or S.O. Bonds and any such change could materially adversely impact the value of any investments affected by it.

### *Notes and S.O. Bonds where denominations involve integral multiples: Definitive Notes and Definitive S.O. Bonds*

In relation to any issue of Notes or S.O. Bonds (other than Swedish Notes, Swedish S.O. Bonds, VPS Notes and/or VPS S.O. Bonds) which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes and S.O. Bonds may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes or S.O. Bonds at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Note in definitive form (a **Definitive Note**) or an S.O. Bond in definitive form (a **Definitive S.O. Bond**) in respect of such holding (should Definitive Notes or S.O. Bonds be printed) and would need to purchase a principal amount of Notes or S.O. Bonds at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If Definitive Notes and S.O. Bonds are issued, holders should be aware that Definitive Notes and S.O. Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### *Reliance on Euroclear and Clearstream, Luxembourg, Euroclear Sweden and VPS procedures*

Notes and S.O. Bonds issued under the Programme (other than Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds) will be represented on issue by one or more Global Notes or Global S.O. Bonds that may be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Note or Global S.O. Bond, as applicable, investors will not be entitled to receive Definitive Notes or S.O. Bonds. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of

the beneficial interests in each Global Note or Global S.O. Bond, as applicable, held through it. While the Notes or S.O. Bonds are represented by a Global Note or Global S.O. Bond, as applicable, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes and S.O. Bonds are represented by Global Notes or Global S.O. Bonds, as applicable, the Issuer will discharge its payment obligation under the Notes and S.O. Bonds by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note or Global S.O. Bond, as applicable, must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes and S.O. Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note or Global S.O. Bond, as applicable.

Holders of beneficial interests in a Global Note or Global S.O. Bond, as applicable, will not have a direct right to vote in respect of the Notes and S.O. Bonds so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Similarly, Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds will be issued in registered, uncertificated and dematerialised book-entry form registered in Euroclear Sweden or the VPS, as applicable. Euroclear Sweden or the VPS will maintain records of the ownership of the Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds, as applicable. Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Sweden or the VPS, as applicable. Ownership of Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds will be recorded and transfer effected only through the book-entry system and register maintained by Euroclear Sweden or the VPS, as applicable.

The Issuer will discharge its payment obligations under Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds by making payments through Euroclear Sweden or the VPS, as applicable, and holders of Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds must therefore rely on the procedures of Euroclear Sweden or the VPS, as applicable, to receive payments under Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in Swedish Notes, Swedish S.O. Bonds, VPS Notes and VPS S.O. Bonds. Investors with accounts in Euroclear and Clearstream, Luxembourg may hold VPS Notes and VPS S.O. Bonds in their accounts with such clearing systems and the relevant clearing system will be shown in the records of the VPS as the holder of the relevant amount of VPS Notes and VPS S.O. Bonds.

#### ***Extendable obligations under the S.O. Bonds***

Following the failure by the Issuer to pay the Final Redemption Amount of a Series of S.O. Bonds in full on their Maturity Date, payment of such amounts shall be automatically deferred. This will occur if the applicable Final Terms (or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) for a relevant Series of S.O. Bonds (the **relevant Series of S.O. Bonds**) provide that such S.O. Bonds are subject to an extended final maturity date on which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Maturity Date (the **Extended Final Maturity Date**).

Payment of all unpaid amounts shall be deferred automatically until the applicable Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (but excluding) the relevant Extended Final Maturity Date (or, in the case of Swedish S.O. Bonds, up to (and including) the relevant Extended Final Maturity Date).

The Issuer is not required to notify the holders of S.O. Bonds of such automatic deferral. The Extended Final Maturity Date will be the date specified in the applicable Final Terms (or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement). Interest will continue to accrue on any unpaid amount at the Floating Rate specified in the applicable Final Terms (or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) and will be payable on each Interest Payment Date falling after the Maturity Date up to (but excluding) the Extended Final Maturity Date (or, in the case of Swedish S.O. Bonds, up to (and including) the relevant Extended Final Maturity Date). In these circumstances, failure by the Issuer to make

payment in respect of the Final Redemption Amount on the Maturity Date shall not constitute a default in payment by the Issuer. However, failure by the Issuer to pay the Final Redemption Amount or the balance thereof on the Extended Final Maturity Date and/or interest on such amount on any Interest Payment Date falling after the Maturity Date up to (but excluding) the Extended Final Maturity Date (or, in the case of Swedish S.O. Bonds, up to (and including) the relevant Extended Final Maturity Date) shall constitute a default in payment by the Issuer.

Furthermore, in relation to all amounts constituting accrued interest due and payable on each Interest Payment Date falling after the Maturity Date up to (but excluding) the Extended Final Maturity Date (or, in the case of Swedish S.O. Bonds, up to (and including) the relevant Extended Final Maturity Date), as provided in the applicable Final Terms (or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement), the relevant Series of S.O. Bonds shall accrue interest at the Floating Rate set out in the applicable Final Terms (or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) notwithstanding that the relevant S.O. Bond may have been a Fixed Rate S.O. Bond as at its relevant Issue Date.

Such consequences of the extendable obligations under the S.O. Bonds could have a material adverse effect on the market value of an investment in the S.O. Bonds.

***Judgments entered against Swedish entities in the courts of a state which is not subject to the Brussels Regulations or the Lugano Convention may not be recognised or enforceable in Sweden***

A judgment entered against a company incorporated in Sweden in the courts of a state which is not, under the terms of (i) Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12th December, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the **2012 Brussels Regulation**), (ii) Council Regulation (EC) No. 44/2001 of 22nd December, 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the **2000 Brussels Regulation**), or (iii) the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters made at Lugano on 30 October 2007 (the **Lugano Convention**), a Member State (as defined in the 2012 Brussels Regulation and the 2000 Brussels Regulation) or a Contracting State (as defined in the Lugano Convention), would not be recognised or enforceable in Sweden as a matter of law without a retrial on its merits (but will be of persuasive authority as a matter of evidence before the courts of law, administrative tribunals or executive or other public authorities of Sweden). The United Kingdom left the EU on 31 January 2020 at 11 pm local time and at that time, the EU treaties automatically ceased to apply to the United Kingdom; however, as part of the withdrawal agreement between the United Kingdom and the European Union, an implementation period has been agreed which will extend the application of EU law and provide for continuing membership of the EU single market until the end of 2020 (with the possibility of extension). As a result, following the end of the implementation period under the withdrawal agreement, an English court judgment entered against the Issuer in relation to the Notes or S.O. Bonds may not be recognised or enforceable in Sweden (absent any replacement arrangements being put in place) and the Noteholders in Sweden could be required to re-litigate in the courts of Sweden.

**C. Additional risks relating to Senior Non-Preferred Notes and Subordinated Notes only**

***Senior Non-Preferred Notes rank junior to the Issuer's unsubordinated creditors***

The Senior Non-Preferred Notes constitute unsecured and unsubordinated obligations, with Senior Non-Preferred Ranking, of the Issuer. As provided under Condition 2(b), the rights of the holders of any Senior Non-Preferred Notes shall, rank (i) *pari passu* without any preference among themselves; (ii) *pari passu* with the rights of holders of all other Senior Non-Preferred Liabilities of the Issuer; (iii) senior to the rights of holders of any subordinated obligation of the Issuer, including any subordinated obligation of the Issuer which constitutes, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital or any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument, which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities of the Issuer; (iv) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and (v) junior in right of payment to any present or future claims of (x) depositors of the Issuer, and (y) other unsubordinated creditors of the Issuer (including holders of Senior Preferred Notes) that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer. If, in the event of a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*), the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors

in full, the holders of Senior Non-Preferred Notes will lose their entire investment in the Senior Non-Preferred Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable the Issuer to pay claims arising under its obligations in respect of the Senior Non-Preferred Notes and all other claims that rank *pari passu* with the Senior Non-Preferred Notes, the holders of the Senior Non-Preferred Notes will lose some (which may be substantially all) of their investment in the Senior Non-Preferred Notes.

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

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

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

The rights of holders of Subordinated Notes, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, will be subordinated in right of payment to the claims of depositors, other unsubordinated creditors of the Issuer and subordinated creditors of the Issuer whose rights are expressed to rank in priority to holders of such Subordinated Notes.

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

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

Condition 10(b) of each of the Terms and Conditions of the Notes and the Terms and Conditions of the VPS Notes contains a restricted list of Events of Default in relation to the Senior Non-Preferred Notes and Subordinated Notes. If any such Event of Default occurs, the holders of Senior Non-Preferred Notes and Subordinated Notes shall only be entitled to institute proceedings for the Issuer to be declared bankrupt or put into liquidation and prove or claim in the bankruptcy or liquidation of the Issuer. Holders may claim payment in respect of the Senior Non-Preferred and Subordinated Notes only in the bankruptcy or liquidation of the Issuer and this may adversely affect the market value of Senior Non-Preferred and Subordinated Notes.

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

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

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

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

In assessing whether or not to permit a redemption or repurchase of the Subordinated Notes, the Competent Authority must take into account the capital position of the Issuer at the relevant time as well as certain regulatory conditions. In respect of Subordinated Notes, these regulatory conditions include the requirement under the CRR that, if the Subordinated Notes are to be redeemed during the first five years after their issuance, the Issuer must demonstrate to the satisfaction of the Competent Authority that the event triggering such redemption was not reasonably foreseeable at the time of the issue of the Subordinated Notes and, in the case of a call relating to a Tax Event, that the adverse tax treatment is material and, in the case of a call relating to a Capital Event, that such change is sufficiently certain. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the Competent Authority in its assessment of whether or not to permit any redemption or repurchase of Subordinated Notes during the first five years (or other relevant period) after issuance. Even after the initial five years (or other relevant period) have expired, the Competent Authority should still take into account such other technical rules and standards before consenting to any early redemption or repurchase.

Where consent is required under applicable law or regulation, it is uncertain how the Competent Authority will apply these criteria in practice and such rules and standards may change during the life of the Subordinated Notes or Senior Non-Preferred Notes. It is therefore difficult to predict whether at any time, and on what terms, the Competent Authority will permit any early redemption or repurchase of the Subordinated Notes or Senior Non-Preferred Notes.

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

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

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

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

Senior Non-Preferred Notes or Subordinated Notes may contain provisions allowing the Issuer to call them after a minimum period specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), which, in respect of Subordinated Notes, is expected to be a minimum period of five years, and on certain specified dates thereafter. The Issuer may also be entitled to redeem

Senior Non-Preferred Notes or Subordinated Notes at any time if a Tax Event occurs or (in the case of Subordinated Notes) a Capital Event occurs or (in the case of Senior Non-Preferred Notes) an MREL Disqualification Event occurs. To exercise any such call option, the Issuer must, if required under applicable law or regulation, obtain the prior consent of the Competent Authority and the exercise of the call option must be in compliance with certain regulatory conditions.

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

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

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

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

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

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

#### ***The holders of Senior Non-Preferred Notes or Subordinated Notes are subject to the risk that such Notes may be required to absorb losses at the point of non-viability of the Issuer***

With regard to risks applying to holders of Senior Non-Preferred Notes or Subordinated Notes in the context of loss absorption at the point of non-viability of the Issuer and resolution and further risks in connection with regulatory aspects concerning financial institutions in general, please see "Loss absorption at the point of non-viability of the Issuer" and "Bank Recovery and Resolution Directive" above.

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

If "Additional Amounts – Interest Only" is specified as applicable in the applicable Final Terms, the Issuer would not be required to pay any additional amounts in respect of any withholding or deduction in respect of taxes on any payments of interest under the terms of (i) each Series of Senior Non-Preferred Notes and (ii) each Series of Subordinated Notes. Accordingly, if any such withholding or deduction were to apply to under any Series of Senior Non-Preferred Notes or any Series of Subordinated Notes, holders of such Notes

would be entitled to receive only the net amount of such interest after deduction of the amount required to be withheld. Therefore, holders may receive less than the full amount due under such Notes, and the market value of such Notes may be adversely affected as a result.

#### **D. Additional risks related to S.O. Bonds only**

##### ***Risks associated with the priority rights of S.O. Bonds***

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

##### ***Lacking compliance with matching requirements***

According to the Swedish Act on Issuance of Covered Bonds, the Issuer must comply with certain matching requirements, which, *inter alia*, require that the nominal value and the present value of the assets registered to the cover pool respectively exceed by at least 2 per cent, the nominal value and the present value of liabilities which relate to the S.O. Bonds issued from time to time, with respect to the cover pool and the covered bonds. In order to comply with these requirements, the Issuer may enter into derivative contracts. To do so, the Issuer is dependent on the availability of derivative counterparties with sufficient credit rating and also on such counterparties fulfilling their contractual obligations.

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

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

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

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

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

Although the Swedish Rights of Priority Act prescribes that a special right of priority applies upon both

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

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

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

Whilst there can be no assurance as to the actual ability of the bankruptcy estate to raise post-bankruptcy liquidity in other ways, the Swedish Act on Issuance of Covered Bonds gives the administrators-in-bankruptcy an explicit and broad mandate to enter into loan, derivative, repo and other transactions on behalf of the bankruptcy estate with a view to attaining matching of cash flows, currencies, interest rates and interest periods between assets in the cover pool, covered bonds and derivative contracts. The administrators-in-bankruptcy may also raise liquidity by selling assets in the cover pool in the market for example. If the bankruptcy estate is not able to raise sufficient liquidity, this could result in holders of S.O. Bonds not being paid in a timely manner.

#### ***Overcollateralisation***

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

#### ***Legal risks***

S.O. Bonds are mainly regulated in the Swedish Act on Issuance of Covered Bonds and the Swedish Rights of Priority Act. The Swedish Act on Issuance of Covered Bonds entered into force in 2004 and there is no case law relating to it. At present, it is thus not established how certain rules of the Swedish Act on Issuance of Covered Bonds should be construed and applied and whether future amendments to the Swedish Act on Issuance of Covered Bonds or applicable guidelines or regulations issued by the SFSA will have an impact on the S.O. Bonds. Any such change could materially adversely impact the value of any investments affected by it.

#### ***No gross-up in respect of the S.O. Bonds***

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

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

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

The Terms and Conditions of the S.O. Bonds do not include any event of default provisions (including any event of default for non-payment) the occurrence of which would entitle holders of S.O. Bonds to accelerate the S.O. Bonds and it is envisaged that holders will only be paid scheduled interest payments under the S.O. Bonds as and when they fall due under the Terms and Conditions of the S.O. Bonds. The only remedies available to holders of the S.O. Bonds are to sue in respect of non-payment or petition for the bankruptcy of the Issuer. The absence of any events of default from the Terms and Conditions of the S.O. Bonds may make it less likely that holders will recoup their investment in full in the event that the Issuer experiences financial distress. See the section "*Overview of the Swedish Legislation Regarding Covered Bonds*" for a description of the holders' remedies in the event of the Issuer's bankruptcy.

#### ***Exemptions from amortisation of residential mortgage loans***

The SFSA has over the past few years introduced amortisation requirements for residential mortgage loans to lower the debt of borrowers and to make them more resilient to fluctuations in their personal economy. To strengthen borrowers' ability to handle a continued downturn in the economy due to the spread of the coronavirus outbreak, the SFSA has recently allowed banks to grant a temporary exemption from the amortisation requirements for their residential mortgage loans. However, each bank still holds the right to decide whether individual borrower's may be granted a temporary exemption from the amortisation requirement, based on an assessment of the specific situation and payment ability of the requesting borrower.

As a consequence of the SFSA's decision, the Issuer has recently started to offer its borrowers to apply for exemption from scheduled amortisations on their residential mortgage loans. If a substantial part of the borrowers apply for such exemption and the Issuer decides to grant such applications, or if the borrowers' ability to make scheduled amortisations would decrease substantially, it could potentially have an effect on the part of the pool of assets containing residential mortgages (the **Relevant Cover Pool**). The Relevant Cover Pool is a limited part of the Issuer's total pool of assets, however, If the loan amount for the mortgage loans included in the Relevant Cover Pool does not decline or declines at a significantly slower rate than as previously anticipated, and if the value of the property which serves as collateral for such residential mortgage loans would decrease significantly, there is a risk that the applicable loan-to-value ratios for the relevant underlying collateral potentially could be exceeded, and, as a consequence, that the whole amount of residential mortgage loans will not be eligible to be included in the Relevant Cover Pool, see further section "*Overview of the Swedish legislation regarding Covered Bonds*".

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

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

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

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

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

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

***Interest rate risks***

Investment in Fixed Rate Notes or S.O. Bonds involves the risk that if market interest rates subsequently increase above the rate paid the Fixed Rate Notes or S.O. Bonds, this will adversely affect the value of Fixed Rate Notes or S.O. Bonds.

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

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Notes and/or S.O. Bonds. Any such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes and S.O. Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended, reduced or withdrawn by the rating agency at any time. Any such revision, suspension, reduction or withdrawal could adversely affect the market value of the Notes or S.O. Bonds. For the avoidance of doubt, the Issuer does not commit to ensure that any specific rating of any Tranche of Notes or S.O. Bonds will be upheld nor that any credit rating agency rating the Notes or S.O. Bonds will remain the same.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). If the status of the rating agency rating the Notes or the S.O. Bonds changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes or S.O. Bonds may have a different regulatory treatment. This may result in European regulated investors selling their Notes or S.O. Bonds, which may impact the value of the Notes or S.O. Bonds in the secondary market.

***European Monetary Union (EMU)***

In the event that Sweden joins the EMU before the Maturity Date of a Note or S.O. Bond, this could adversely affect investors. If the euro becomes the legal currency in Sweden, the Notes or S.O. Bonds denominated in SEK will be paid in euro. Furthermore, the Issuer may be allowed or required by law to convert outstanding Notes and S.O. Bonds denominated in SEK to euro and that other measures are taken. A transition to euro may be followed by an interest rate disturbance which may have an adverse effect on an investment in Notes or S.O. Bonds denominated in SEK.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (i) the unaudited financial statements of the Issuer for the three months ended 31 March 2020 (including the information set out at the following pages of the Issuer's Interim Report, January – March 2020 (the **2020 First Quarter Interim Report**) in particular) (available for viewing at: <https://landshypotek.se/globalassets/dokument/finansiell-info/rapporter/lhab-q1-2020-eng.pdf>):

Income Statement .....	Page 12
Statement of Comprehensive Income .....	Page 12
Balance Sheet .....	Page 13
Cash-flow Statement.....	Page 13
Statement of Changes in Equity .....	Page 14
Notes.....	Pages 15 to 22
Alternative Performance Measures.....	Pages 23 to 24

- (ii) the auditor's report and audited annual financial statements of the Issuer for the financial year ended 31 December 2019 (including the information set out at the following pages of the Issuer's 2019 Annual Report (the **2019 Annual Report**) in particular) (available for viewing at: <https://www.landshypotek.se/globalassets/dokument/finansiell-info/rapporter/landshypotek-bank---arsredovisning-2019-eng.pdf>):

Income Statement .....	Page 58
Statement of Comprehensive Income .....	Page 58
Balance Sheet .....	Page 59
Statement of Changes in Equity .....	Page 60
Cash-flow Statement.....	Page 61
Alternative Performance Measures.....	Pages 63 to 64
Notes.....	Pages 65 to 104
Auditor's Report.....	Pages 105 to 107

- (iii) the auditor's report and audited consolidated and non-consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018 (including the information set out at the following pages of the Issuer's 2018 Annual Report (the **2018 Annual Report**) in particular) (available for viewing at: <https://www.landshypotek.se/globalassets/dokument/finansiell-info/rapporter/landshypotek-bank-arsredovisning-2018-eng.pdf>):

Income Statement .....	Page 56
Statement of Comprehensive Income .....	Page 57
Balance Sheet .....	Page 58
Statement of Changes in Equity .....	Pages 59 to 60
Cash-flow Statement.....	Page 61
Alternative Performance Measures.....	Page 63
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- (iv) the Terms and Conditions of the Notes and S.O. Bonds contained in previous Offering Circulars prepared by the Issuer in connection with the Programme dated:

- (i) 29 May 2013 (pages 46 to 116 (inclusive)) (available for viewing at: <https://www.bourse.lu/programme-documents/Programme-LandsHypoteBank/13958>);
- (ii) 28 May 2014 (pages 47 to 120 (inclusive)) (available for viewing at: <https://www.bourse.lu/programme-documents/Programme-LandsHypoteBank/13958>);

- (iii) 28 May 2015 (pages 55 to 127 (inclusive)) (available for viewing at: <https://www.bourse.lu/programme-documents/Programme-LandsHypoteBank/13958>);
- (iv) 4 May 2016 (pages 60 to 141 (inclusive)) (available for viewing at: <https://www.bourse.lu/programme-documents/Programme-LandsHypoteBank/13958>);
- (v) 19 May 2017 (pages 62 to 149 (inclusive)) (available for viewing at: <https://www.bourse.lu/programme-documents/Programme-LandsHypoteBank/13958>);
- (vi) 12 April 2018 (pages 68 to 155 (inclusive)) (available for viewing at: <https://www.bourse.lu/issuer-cssf-approvals/LandsHypoteBank/69726>); and
- (vii) 3 May 2019 (pages 81 to 188 (inclusive)) (available for viewing at: <https://www.bourse.lu/issuer-cssf-approvals/LandsHypoteBank/69726>).

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Delegated Regulation (EU) 2019/980. Any information on the Issuer's website does not form part of this Offering Circular and has not been scrutinised or approved by the competent authority unless incorporated by reference into this Offering Circular.

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

Copies of documents incorporated by reference in this Offering Circular can be obtained from (i) the registered office of the Issuer, (ii) the specified offices of the Paying Agents for the time being in London and Luxembourg, and (iii) on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu).

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

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

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

## FORM OF THE NOTES

*Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.*

The Notes of each Series will be in either bearer form, with or without interest coupons and/or talons attached or, in the case of Swedish Notes and VPS Notes, registered, uncertificated and dematerialised book-entry form.

### BEARER NOTES

Each Tranche of Notes (other than Swedish Notes and VPS Notes) will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or if so specified in the applicable Final Terms a permanent Global Note (a **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes** and each a **Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) for Definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10 of the Terms and Conditions of the Notes) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 of the Terms and Conditions of the Notes if an

Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than Temporary Global Notes) and interest coupons relating to such Notes where the Notes have an original maturity of more than one year and where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 of the Terms and Conditions of the Notes. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made on the due date in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such date holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 4 May 2020 executed by the Issuer.

## VPS NOTES

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

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

VPS Notes may not be exchanged for bearer Notes and *vice versa*.

## **SWEDISH NOTES**

Each Tranche of Swedish Notes will be issued in registered, uncertificated and dematerialised book entry form in accordance with the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) as amended (the **SFIA Act**). No global or definitive Notes will be issued in respect thereof. The holder of a Swedish Note will be the person evidenced as such by the book-entry system and register (the **Euroclear Sweden Register**) for such Note maintained by Euroclear Sweden on behalf of the Issuer. Where a nominee (*förvaltare*) in accordance with the SFIA Act is so evidenced, it shall be treated by the Issuer as the holder of the relevant Swedish Note.

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

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

Swedish Notes may not be exchanged for bearer Notes and vice versa.

## FORM OF THE S.O. BONDS

*Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.*

The S.O. Bonds of each Series will be in either bearer form, with or without interest coupons and/or talons attached, or in the case of Swedish S.O. Bonds and VPS S.O. Bonds, registered, uncertificated and dematerialised book-entry form.

### BEARER S.O. BONDS

Each Tranche of S.O. Bonds (other than Swedish S.O. Bonds and VPS S.O. Bonds) will be in bearer form and will be initially issued in the form of a temporary global S.O. Bond (a **Temporary Global S.O. Bond**) or if so specified in the applicable Final Terms a permanent Global S.O. Bond (a **Permanent Global S.O. Bond** and, together with the Temporary Global S.O. Bonds, the **Global S.O. Bonds** and each a **Global S.O. Bond**) which, in either case, will:

- (i) if the Global S.O. Bonds are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear and Clearstream Luxembourg; and
- (ii) if the Global S.O. Bonds are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Whilst any S.O. Bond is represented by a Temporary Global S.O. Bond, payments of principal, interest (if any) and any other amount payable in respect of the S.O. Bond due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global S.O. Bond if the Temporary Global S.O. Bond is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such S.O. Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after the Temporary Global S.O. Bond is issued, interests in such Temporary Global S.O. Bond will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global S.O. Bond of the same Series or (ii) for Definitive S.O. Bonds of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Definitive S.O. Bonds, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global S.O. Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global S.O. Bond for an interest in a Permanent Global S.O. Bond or for Definitive S.O. Bonds is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global S.O. Bond will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global S.O. Bond if the Permanent Global S.O. Bond is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global S.O. Bond will be exchangeable (free of charge), in whole but not in part, for Definitive S.O. Bonds with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global S.O. Bond) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the S.O. Bonds represented by the Permanent Global S.O. Bond in definitive form. The Issuer will promptly give notice to S.O. Bondholders in accordance with Condition 12 of the Terms and Conditions of the

S.O. Bonds if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global S.O. Bond) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all S.O. Bonds (other than a Temporary S.O. Bond) and interest coupons relating to such S.O. Bonds where the S.O. Bonds have an original maturity of more than one year and where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on S.O. Bonds or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such S.O. Bonds or interest coupons.

S.O. Bonds which are represented by a Global S.O. Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the S.O. Bonds*"), the Agent shall arrange that, where a further Tranche of S.O. Bonds is issued which is intended to form a single Series with an existing Tranche of S.O. Bonds at a point after the Issue Date of the further Tranche, the S.O. Bonds of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to S.O. Bonds of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the S.O. Bonds of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Where any S.O. Bond is still represented by a Global S.O. Bond and the Global S.O. Bond (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such S.O. Bonds and payment in full of the amount due has not been made on the due date in accordance with the provisions of the Global S.O. Bond then from 8.00 p.m. (London time) on such date holders of interests in such Global S.O. Bond credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of the Deed of Covenant.

## **VPS S.O. BONDS**

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

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

VPS S.O. Bonds may not be exchanged for bearer S.O. Bonds and *vice versa*.

## SWEDISH S.O. BONDS

Each Tranche of Swedish S.O. Bonds will be issued in registered, uncertificated and dematerialised book entry form in accordance with the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) as amended (the **SFIA Act**). No global or definitive S.O Bonds will be issued in respect thereof. The holder of a Swedish S.O. Bonds will be the person evidenced as such by the book-entry system and register (the **Euroclear Sweden Register**) for such S.O. Bonds maintained by Euroclear Sweden on behalf of the Issuer. Where a nominee (*förvaltare*) in accordance with the SFIA Act is so evidenced, it shall be treated by the Issuer as the holder of the relevant Swedish S.O Bonds.

Title to the Swedish S.O. Bonds will pass by way of registration in the Euroclear Sweden Register, perfected in accordance with the legislation (including the SFIA Act), rules and regulations applicable to and/or issued by Euroclear Sweden that are in force and effect from time to time. On the issue of Swedish S.O. Bonds, the Issuer will send a copy of the applicable Final Terms to the Swedish Issuing Agent, with a copy sent to the Issue and Principal Paying Agent.

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

Swedish S.O. Bonds may not be exchanged for bearer S.O. Bonds and vice versa.

## FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes or, as the case may be, S.O. Bonds issued under the Programme which are not Exempt Notes/S.O. Bonds.

**[PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA AND UNITED KINGDOM RETAIL INVESTORS** – The [Notes/S.O. Bonds] are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the **EEA**) or the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently no key information document required by Regulation (EU) No. 1286/2014 on key information documents for packaged retail and insurance-based investment products (as amended or superseded, the **PRIIPs Regulation**) for offering or selling the [Notes/S.O. Bonds] or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the [Notes/S.O. Bonds] or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[MiFID II PRODUCT GOVERNANCE – Professional investors and ECPs only target market:** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Notes/S.O. Bonds] has led to the conclusion that: (i) the target market for the [Notes/S.O. Bonds] is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU on markets in financial instruments (as amended or superseded, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the [Notes/S.O. Bonds] to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the [Notes/S.O. Bonds] (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes/S.O. Bonds] (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[MiFID II PRODUCT GOVERNANCE – Retail investors, professional investors and ECPs target market:** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Notes/S.O. Bonds] has led to the conclusion that: (i) the target market for the [Notes/S.O. Bonds] is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended or superseded, **MiFID II**)] [MiFID II]; (ii) all channels for distribution of the [Notes/S.O. Bonds] to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Notes/S.O. Bonds] to retail clients are appropriate - [investment advice[,/ and] portfolio management[,/ and] [ non-advised sales ] [and pure execution services], subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. Any person subsequently offering, selling or recommending the [Notes/S.O. Bonds] (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes/S.O. Bonds] (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]

[Date]

**Landshypotek Bank AB (publ)**

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

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes/S.O. Bonds]  
under the €10,000,000,000  
Euro Medium Term Note and S.O. Bond Programme**

<sup>1</sup> Delete legend if the Notes or S.O. Bonds do not constitute "packaged" products for the purposes of the PRIIPs Regulation, in which case, insert "Not Applicable" in paragraph 9 of Part B below. Include legend if the Notes or S.O. Bonds may constitute "packaged" products and the Issuer intends to prohibit the Notes or S.O. Bonds being offered, sold or otherwise made available to European Economic Area retail investors. In this case, insert "Applicable" in paragraph 9 of Part B below.

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Relevant Conditions set forth in the Offering Circular dated 4 May 2020 (the **Offering Circular**) [as supplemented by the supplement[s] to it dated [ ] [and [ ]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation. As used herein, **Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended or superseded). This document constitutes the Final Terms of the [Notes/S.O. Bonds] described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Offering Circular [as so supplemented] in order to obtain all relevant information. The Offering Circular [and the supplement[s]] [has] [have] been published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg.]

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

Terms used herein shall be deemed to be defined as such for the purposes of the Relevant Conditions set forth in the Offering Circular dated [29 May 2013 / 28 May 2014 / 28 May 2015 / 4 May 2016 / 19 May 2017 / 12 April 2018 / 3 May 2019] which are incorporated by reference in the Offering Circular dated 4 May 2020 (the **Offering Circular**). This document constitutes the Final Terms of the [Notes/S.O. Bonds] described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Offering Circular [as supplemented by the supplement[s] to the Offering Circular dated [ ] [and [ ]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, including the Relevant Conditions incorporated by reference in the Offering Circular, in order to obtain all relevant information. As used herein, **Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended or superseded). The Offering Circular [and the supplement[s]] [has] [have] been published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg.]

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

1. Relevant Conditions: [Terms and Conditions of the Notes as set out in the Offering Circular dated 4 May 2020 / Terms and Conditions of the VPS Notes as set out in the Offering Circular dated 4 May 2020 / Terms and Conditions of the S.O. Bonds as set out in the Offering Circular dated 4 May 2020 / Terms and Conditions of the VPS S.O. Bonds as set out in the Offering Circular dated 4 May 2020]
  
2. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
(iii) Date on which the [Notes/S.O. Bonds] will be consolidated and form a single Series: [The [Notes/S.O. Bonds] will be consolidated and form a single Series with [Provide issue amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issue Date/exchange of the Temporary Global [Note/S.O. Bond] for interests in the Permanent Global [Note/S.O. Bond], as referred to in paragraph 26 below, which is expected to occur on or about [ ]] [Not Applicable]
  
3. Specified Currency or Currencies: [ ]
  
4. Aggregate Nominal Amount:  
- Tranche: [ ]  
- Series: [ ]

5. Issue Price: [ ] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (if applicable)
6. (a) Specified Denominations: [ ]  
*(N.B. Notes and S.O. Bonds must have a minimum denomination of €100,000 (or equivalent))*  
  
*(N.B. where multiple denominations above [€100,000] or equivalent are being used, the following sample wording should be followed:*  
  
*"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes or S.O. Bonds in definitive form will be issued with a denomination above [€199,000].")*
- (b) Calculation Amount: [ ]  
  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.)*
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [ ] (specify)/Issue Date/Not Applicable  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes or S.O. Bonds, for example Zero Coupon Notes or Zero Coupon S.O. Bonds)*
8. Maturity Date: [Specify date or for Floating Rate Notes or Floating Rate S.O. Bonds – Interest Payment Date falling in or nearest to [specify month and year]]
9. (a) Extended Final Maturity: [Applicable/Not Applicable]
- (b) Extended Final Maturity Date: [Interest Payment Date falling in or nearest to [specify month and year]]  
  
 [If an Extended Final Maturity Date is specified and the Final Redemption Amount is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date. See [Condition 6(a) of the Terms and Conditions of the S.O. Bonds/Condition 6(a) of the Terms and Conditions of the VPS S.O. Bonds]]  
*(N.B. Only S.O. Bonds/VPS S.O. Bonds may be subject to Extended Final Maturity)*
10. Interest Basis: [In respect of the period from [(and including)][(but excluding)] the Interest Commencement Date to [(but excluding)][(and including)] the Maturity Date:]  
  
 [[ ] per cent Fixed Rate]  
 [Fixed Reset Notes]  
 [[ ] month  
 [LIBOR/EURIBOR/STIBOR/NIBOR/SONIA/SOFR/€STR/

*specify other*] +/- [ ] per cent Floating Rate]  
[Zero Coupon]  
(see paragraph [15] [16] [17] [19] below)

[In respect of the period from [(and including)][(but excluding)] the Maturity Date to [(but excluding)][(and including)] the earlier of (i) the Interest Payment Date on which the S.O. Bonds are redeemed in full and (ii) the Extended Final Maturity Date:]

[1] month [LIBOR/EURIBOR/STIBOR/NIBOR/*specify other*] +/- [ ] per cent Floating Rate  
(see paragraph 18)

*(NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*

11. Redemption Basis:

Subject to any purchase and cancellation or early redemption, the [Notes/S.O. Bonds] will be redeemed on the Maturity Date at [100] [ ] per cent of their nominal amount

*(N.B. In the case of Notes other than Zero Coupon Notes or S.O. Bonds other than Zero Coupon S.O. Bonds, redemption must be at 100 per cent of their nominal amount)*

*(N.B. In the case of Zero Coupon Notes or Zero Coupon S.O. Bonds, redemption must be at or above 100 per cent of their nominal amount)*

12. Change of Interest Basis:

[Specify the date when any change of Interest Basis occurs and/or cross-refer to paragraphs 15, 16 and/or 17 below and identify there] [Not Applicable]

13. Put/ Call Options:

[Investor Put]<sup>1</sup>  
[Issuer Call]  
[(see paragraph [20] [21] [22] [23] below)]  
[Not Applicable]

14. [(i)] [Status of the Notes:

[Senior Preferred/Senior Non-Preferred/Subordinated]]<sup>2</sup>

*If Senior Non-Preferred Notes or Subordinated Notes include:*

[Additional Amounts - Interest Only: [Applicable/Not Applicable]]

[(ii)] Date Board approval of [Notes/S.O. Bonds] obtained:

[ ]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes or S.O. Bonds)*

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<sup>1</sup> Not applicable to issues of S.O. Bonds.

<sup>2</sup> Delete paragraph 14(i) in the case of an issue of S.O. Bonds.

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate [Note/S.O. Bond] Provisions [Applicable [from [(and including)][(but excluding)] [ ] to [(but excluding)][and including] [ ]]/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*
- (i) Rate(s) of Interest: [ ] per cent per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date [or the Extended Final Maturity Date, as applicable]
- [There will be a [long/short] [first/last] coupon in respect of the period from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [ ]]
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes and S.O. Bonds in definitive form)*
- (iv) Broken Amount(s): [[ ] per Calculation Amount will be payable on the Interest Payment Date falling on [ ] in respect of the period from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [Not Applicable]  
*(Applicable to Notes and S.O. Bonds in definitive form)*
- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (N.B. Only 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)*
- (vi) Determination Date(s): [[ ] in each year] [Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA)). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
16. Fixed Reset Note Provisions [Applicable [from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [ ]]/Not Applicable<sup>1</sup>  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*
- (i) Initial Interest Rate: [ ] per cent per annum payable in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date
- [There will be a [long/short] [first/last] coupon in respect of the period from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [ ]]

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<sup>1</sup> Not applicable to issues of S.O. Bonds.

- (iii) Fixed Coupon Amount to (but excluding) the First Reset Date: [[ ] per Calculation Amount/Not Applicable]
- (iv) Broken Amount(s): [[ ] per Calculation Amount will be payable on the Interest Payment Date falling on [ ] in respect of the period from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [Not Applicable]
- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]  
*(N.B. Only 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)*
- (vi) Determination Date(s): [[ ] in each year] [Not Applicable]
- (vii) First Reset Date: [ ]
- (viii) Second Reset Date: [ ]/[Not Applicable]
- (ix) Subsequent Reset Date(s): [ ] [and [ ]]
- (x) First Reset Margin: [+/-] [ ] per cent per annum
- (xi) Subsequent Reset Margin(s): [+/-] [ ] per cent per annum / [ ]
- (xii) Relevant Screen Page: [ ]
- (xiii) Floating Leg Reference Rate: [ ]
- (xiv) Floating Leg Screen Page: [ ]
- (xv) Initial Mid-Swap Rate: [ ] per cent per annum (quoted on [an annual/semi annual basis])
- (xvi) Calculation Agent: [ ]/[Not Applicable] *(VPS Notes which are Fixed Reset Notes require the appointment of a Calculation Agent. If not VPS Notes, insert Not Applicable)*
17. Floating Rate [Note/S.O. Bond] Provisions [Applicable [from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [ ]]/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ] / [[ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date [or the Extended Final Maturity Date, as applicable, subject [in each case] to adjustment in accordance with the Business Day Convention specified in paragraph 17(ii) below]  
*(N.B. Specify the Specified Period(s)/Specified Interest Payment Date(s) up to and including the Maturity Date, if applicable)*
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]  
*(N.B. Only the Following Business Day Convention (unadjusted)/Modified Following Business Day Convention (adjusted) can be applicable for Swedish Notes and Swedish*

*S.O. Bonds)*

- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]/[Not Applicable] (*VPS Notes or S.O. Bonds require the appointment of a Calculation Agent*)
- (vi) Screen Rate Determination: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Reference Rate: [ ] month  
[LIBOR/EURIBOR/STIBOR/NIBOR/SONIA/SOFR/€STR specify other]
  - Interest Determination Date(s): [ ]<sup>1</sup>  
(*Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, second day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period if STIBOR or second day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period if NIBOR*)  
(*N.B. Specify the Interest Determination Date(s) up to and including the Maturity Date, if applicable*)
  - Relevant Screen Page: [ ] [New York Federal Reserve's Website]/[ECB's Website]
  - Financial Centre Time: [ ]  
(*11.00 a.m. (London time, in the case of LIBOR, Brussels time, in the case of EURIBOR, or Stockholm time, in the case of STIBOR) or 12.00 noon (Oslo time, in the case of NIBOR)*)
  - Calculation Method: [Weighted Average/Compounded Daily/Not Applicable]
  - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
  - Observation Look-back Period: [ ]/[Not Applicable]<sup>2</sup>
  - D: [365/360/[ ]/[Not Applicable]]
- (vii) ISDA Determination: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of*

<sup>1</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Agent

<sup>2</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable"

*this paragraph)*

- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]  
*(the first day of the relevant Interest Period, if the applicable Floating Rate Option is based on LIBOR or on EURIBOR)*
  - (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
  - (ix) Margin(s): [+/-] [ ] per cent per annum
  - (x) Minimum Rate of Interest: [ ] per cent per annum
  - (xi) Maximum Rate of Interest: [ ] per cent per annum
  - (xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]  
*(See Condition 5 of the Terms and Conditions of the Notes/Terms and Conditions of the VPS Notes or Condition 4 of the Terms and Conditions of the S.O. Bonds/Terms and Conditions of the VPS S.O. Bonds for alternatives)*  
*(N.B. Only Actual/360 and 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)*
18. Extended Final Maturity Interest Provisions:
- [Applicable from [(and including)][(but excluding)] the Maturity Date to [(but excluding)][(and including)] the earlier of (i) the Interest Payment Date on which the S.O. Bonds are redeemed in full and (ii) the Extended Final Maturity Date/Not Applicable]
- (NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ] / [ ] [ ] [and [ ] ] in each year, commencing on [ ], up to and including the Maturity Date [or the Extended Final Maturity Date, as applicable, subject [in each case] to adjustment in accordance with the Business Day Convention specified in paragraph 18(ii) below]  
*(N.B. Specify the Specified Period(s)/Specified Interest Payment Date(s) up to and including the Extended Final Maturity Date, if applicable)*
  - (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

*(N.B. Only the Following Business Day Convention (unadjusted)/Modified Following Business Day Convention (adjusted) can be applicable for Swedish Notes and Swedish S.O. Bonds)*

- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]/[Not Applicable] *(VPS S.O. Bonds require the appointment of a Calculation Agent)*
- (vi) Screen Rate Determination: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [ ] month  
[LIBOR/EURIBOR/STIBOR/NIBOR/SONIA/SOFR/€STR/specify other]
  - Interest Determination Date(s): [ ]<sup>1</sup>  
*(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, second day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period if STIBOR or second day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period if NIBOR)*  
*(N.B. Specify the Interest Determination Date(s) up to and including the Extended Final Maturity Date, if applicable)*
  - Relevant Screen Page: [ ] [New York Federal Reserve's Website]/[ECB's Website]
  - Financial Centre Time: [ ]  
*(11.00 a.m. (London time, in the case of LIBOR, Brussels time, in the case of EURIBOR or Stockholm time, in the case of STIBOR) or 12.00 noon (Oslo time, in the case of NIBOR))*
  - Calculation Method: [Weighted Average/Compounded Daily/Not Applicable]
  - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
  - Observation Look-back Period: [ ]/[Not Applicable]<sup>2</sup>

<sup>1</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Agent

<sup>2</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable"

- D: [365/360/[ ]/[Not Applicable]]
- (vii) ISDA Determination: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]  
*(the first day of the relevant Interest Period, if the applicable Floating Rate Option is based on LIBOR or on EURIBOR)*
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (ix) Margin(s): [+/-] [ ] per cent per annum
- (x) Minimum Rate of Interest: [ ] per cent per annum
- (xi) Maximum Rate of Interest: [ ] per cent per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)] [Actual/360]  
[30/360] [360/360] [Bond Basis]  
[30E/360] [Eurobond Basis]  
[30E/360 (ISDA)]  
*(See Condition 4 of the Terms and Conditions of the S.O. Bonds/Terms and Conditions of the VPS S.O. Bonds for alternatives)*  
  
*(N.B. Only Actual/360 and 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)*
19. Zero Coupon [Note/S.O. Bond] [Applicable/Not Applicable]  
Provisions<sup>1</sup> *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [ ] per cent per annum
- (ii) Reference Price: [ ]
- (iii) Day Count Fraction in relation to [30/360]  
[Early Redemption Amount] [Actual/360]  
[Amortised Face Amount] (*insert* [Actual/365]  
*Amortised Face Amount for S.O. Bonds*): *(N.B. Only Actual/360 and 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)*

## PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

<sup>1</sup> Zero Coupon Notes and Zero Coupon S.O. Bonds not to be issued with an Extended Final Maturity Date unless otherwise agreed with the Dealers.

- (i) Optional Redemption Date(s): [ ]/[Any date from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)]
- (NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)
- (ii) Optional Redemption Amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]/[Not Applicable]
- (b) Higher Redemption Amount: [ ]/[Not Applicable]
- (iv) Notice periods: [ ]
- (N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing systems' business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
21. Investor Put: [Applicable/Not Applicable]<sup>1</sup>  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s): [ ] per Calculation Amount
- (iii) Notice periods: [ ]
- (N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing systems' business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
22. Optional Redemption for Senior Non-Preferred Notes: [Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) MREL Disqualification Event Redemption: [Applicable – MREL Disqualification Event Redemption Amount: [ ] per Calculation Amount (specify the amount payable on redemption for a MREL Disqualification Event)/Not Applicable]
- (ii) Tax Event Redemption: [Applicable - Tax Event Early Redemption Amount: [ ] per Calculation Amount (specify the amount payable on redemption for a Tax Event)/Not Applicable]
- (iii) Variation or Substitution instead [Applicable - Condition 7(l) applies/Not Applicable]

<sup>1</sup> Select "Not Applicable" in the case of S.O. Bonds.

of Redemption:

23. Optional Redemption for Subordinated Notes: [Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Capital Event Redemption: [Applicable - Capital Event Redemption Amount: [ ] per Calculation Amount (*specify the amount payable on redemption for a Capital Event*)/Not Applicable]
- (ii) Tax Event Redemption: [Applicable - Tax Event Early Redemption Amount: [ ] per Calculation Amount (*specify the amount payable on redemption for a Tax Event*)/Not Applicable]
- (iii) Variation or Substitution instead of Redemption: [Applicable - Condition 7(l) applies/Not Applicable]
24. Final Redemption Amount: [ ] per Calculation Amount
25. Early Redemption Amount(s) payable [on redemption for taxation reasons or (*delete in the case of Senior Non-Preferred Notes and Subordinated Notes*)] on event of default: [[ ] per Calculation Amount] [Not Applicable] (*Insert 'Not Applicable' for S.O. Bonds*)  
*(N.B. If the Final Redemption Amount is 100 per cent of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

#### **GENERAL PROVISIONS APPLICABLE TO THE [NOTES/S.O. BONDS]**

26. Form of [Notes/S.O. Bonds]:
- (a) Form: [Temporary Global [Note/S.O. Bond] exchangeable for a Permanent Global [Note/S.O. Bond] which is exchangeable for Definitive [Notes/S.O. Bonds] [on 60 days' notice given at any time/only upon an Exchange Event].]
- [Temporary Global [Note/S.O. Bond] exchangeable for Definitive [Notes/S.O. Bonds] on and after the Exchange Date.]
- [Permanent Global [Note/S.O. Bond] exchangeable for Definitive [Notes/S.O. Bonds] [on 60 days' notice given at any time/only upon an Exchange Event].]
- [[VPS [Notes/S.O. Bonds]] [Swedish [Notes/S.O. Bonds]] issued in registered, uncertificated and dematerialised book-entry form.]

*(N.B. The exchange on 60 days' notice given at any time option above should not be expressed to be applicable if the Specified Denominations of the Notes and S.O. Bonds in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes or S.O. Bonds which is to be represented on issue by a Temporary Global Note or Temporary Global S.O. Bond exchangeable for Definitive Notes or S.O. Bonds)*

- (b) New Global [Note/S.O. Bond] [Yes] [No]  
*(If Swedish Notes, Swedish S.O. Bonds, VPS Notes or VPS S.O. Bonds, must be "No".)*
27. Additional Financial Centre(s): [Not Applicable/give details]  
*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which sub-paragraphs 17(iii) and 18(iii) relate)*
28. Talons for future Coupons to be attached to Definitive [Notes/S.O. Bonds]: [Yes, as the [Notes/S.O. Bonds] have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/ No.] [Not Applicable]  
*(If Swedish Notes, Swedish S.O. Bonds, VPS Notes or VPS S.O. Bonds, must be "Not Applicable")*

Signed on behalf of Landshypotek Bank AB (publ):

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the [Notes/S.O. Bonds] to be admitted to trading on the regulated market of [the Luxembourg Stock Exchange] [Nasdaq Stockholm AB (operated by Nasdaq Stockholm AB)] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the [Notes/S.O. Bonds] to be admitted to trading on the regulated market of [the Luxembourg Stock Exchange] [Nasdaq Stockholm (operated by Nasdaq Stockholm AB)] with effect from [ ].]

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

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

### 2. RATINGS

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

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

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

[Not Applicable]

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

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

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

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

/ [Green bonds – [financing][re-financing] investments related to [sustainable forestry][renewable energy][green buildings][specify other]]

- (ii) Estimated net proceeds: [ ]

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

Indication of yield: [ ] per cent per annum

6. **OPERATIONAL INFORMATION**

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]  
[Verdipapirsentralen, Norway VPS Identification number [ ]. The Issuer shall be entitled to obtain information from the register maintained by the VPS for the purpose of performing its obligations under the VPS [Notes/S.O. Bonds]]  
[Euroclear Sweden, the Swedish Central Securities Depository (Euroclear Sweden identification number: [•]). The Swedish Issuing Agent shall be entitled to obtain information from the register maintained by Euroclear Sweden for the purpose of performing its obligations under the Swedish [Notes/S.O. Bonds]]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [ ][Not Applicable]
- (vi) Names of Swedish Issuing Agent (if any): [ ][Not Applicable]
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes (*If Swedish Notes, Swedish S.O. Bonds, VPS Notes or VPS S.O. Bonds, must be "No"*). Note that the designation "yes" simply means that the [Notes/S.O. Bonds] are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the [Notes/S.O. Bonds] will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

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

7. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Date of Subscription Agreement: [ ]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/give name(s)]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

*(N.B. TEFRA is not applicable for Swedish Notes and Swedish S.O. Bonds)*

**8. THIRD PARTY INFORMATION**

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

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

[Applicable] / [Not Applicable]

*(If the offer of the Notes or S.O. Bonds being offered do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes or S.O. Bonds may constitute "packaged" products, "Applicable" should be specified unless the Issuer has drawn up a key information document in accordance with the PRIIPs Regulation)*

**10. [BENCHMARKS:**

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

## FORM OF PRICING SUPPLEMENT

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes/S.O. Bonds, whatever the denomination of those Notes or, as the case may be, S.O. Bonds, issued under the Programme.*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (AS AMENDED OR SUPERSEDED) FOR THE ISSUE OF [NOTES/S.O. BONDS] DESCRIBED BELOW.**

**[PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA AND UNITED KINGDOM RETAIL INVESTORS** – The [Notes/S.O. Bonds] are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the **EEA**) or the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended or superseded, the **PRIIPs Regulation**) for offering or selling the [Notes/S.O. Bonds] or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the [Notes/S.O. Bonds] or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[MiFID II PRODUCT GOVERNANCE – Professional investors and ECPs only target market:** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Notes/S.O. Bonds] has led to the conclusion that: (i) the target market for the [Notes/S.O. Bonds] is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended or superseded, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the [Notes/S.O. Bonds] to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the [Notes/S.O. Bonds] (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes/S.O. Bonds] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[MiFID II PRODUCT GOVERNANCE – Retail investors, professional investors and ECPs target market:** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Notes/S.O. Bonds] has led to the conclusion that: (i) the target market for the [Notes/S.O. Bonds] is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended or superseded, **MiFID II**)] [MiFID II]; (ii) all channels for distribution of the [Notes/S.O. Bonds] to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Notes/S.O. Bonds] to retail clients are appropriate - [investment advice[,/ and] portfolio management[,/ and] [ non-advised sales ] [and pure execution services], subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. Any person subsequently offering, selling or recommending the [Notes/S.O. Bonds] (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes/S.O. Bonds] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]

[Date]

**LANDSHYPOTEK BANK AB (publ)**

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

<sup>1</sup> Delete legend if the offer of the Notes or S.O. Bonds do not constitute "packaged" products for the purposes of the PRIIPs Regulation, in which case, insert "Not Applicable" in paragraph 7 of Part B below. Include legend if the offer of the Notes or S.O. Bonds may constitute "packaged" products and the Issuer intends to prohibit the Notes or S.O. Bonds being offered, sold or otherwise made available to European Economic Area retail investors. In this case, insert "Applicable" in paragraph 7 of Part B below.

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes/S.O. Bonds]  
under the €10,000,000,000  
Euro Medium Term Note and S.O. Bond Programme**

**PART A – CONTRACTUAL TERMS**

Any person making or intending to make an offer of the [Notes/S.O. Bonds] may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of Regulation (EU) 2017/1129 (as amended or superseded) (the **Prospectus Regulation**) or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the [Notes/S.O. Bonds] described herein. This document must be read in conjunction with the Offering Circular dated 4 May 2020 (the **Offering Circular**) [as supplemented by the supplement[s] to it dated [ ] [and [ ]]]. Full information on the Issuer and the offer of the [Notes/S.O. Bonds] is only available on the basis of the combination of this Pricing Supplement and the Offering Circular [as so supplemented]. Copies of the Offering Circular [and the supplement[s]] may be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg.

Terms used herein shall be deemed to be defined as such for the purposes of the Relevant Conditions (the **Conditions**) set forth in the Offering Circular [dated *original date*] which are incorporated by reference in the Offering Circular<sup>1</sup>. Any reference in the Conditions to "applicable Final Terms" shall be deemed to include a reference to this Pricing Supplement, where relevant.

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

- |    |   |   |
|----|---|---|
| 1. | Relevant Conditions:  | [Terms and Conditions of the Notes as set out in Part 1 of the Offering Circular dated 4 May 2020 / Terms and Conditions of the VPS Notes as set out in the Offering Circular dated 4 May 2020 / Terms and Conditions of the S.O. Bonds as set out in Part 2 of the Offering Circular dated 4 May 2020 / Terms and Conditions of the VPS S.O. Bonds as set out in the Offering Circular dated 4 May 2020] |
| 2. | (i) Series Number:  | [ ]   |
|    | (ii) Tranche Number:  | [ ]   |
|    | (iii) Date on which the [Notes/S.O. Bonds] will be consolidated and form a single Series: | [The [Notes/S.O. Bonds] will be consolidated and form a single Series with <i>[Provide issue amount/ISIN/maturity date/issue date of earlier Tranches]</i> on [the Issue Date/exchange of the Temporary Global [Note/S.O. Bond] for interests in the Permanent Global [Note/S.O. Bond], as referred to in paragraph 26 below, which is expected to occur on or about [ ]] [Not Applicable]                |
| 3. | Specified Currency or Currencies:   | [ ]   |
| 4. | Aggregate Nominal Amount:   |   |
|    | - Tranche:  | [ ]   |
|    | - Series:   | [ ]   |
| 5. | Issue Price:  | [ ] per cent of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> ] <i>(if applicable)</i>  |

<sup>1</sup> Only include this wording where it is a fungible issue and the original Tranche was issued under an Offering Circular with an earlier date.

6. (a) Specified Denominations: [ ]  
 (b) Calculation Amount: [ ]

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.)*

7. (i) Issue Date: [ ]  
 (ii) Interest Commencement Date: [ ] (specify)/Issue Date/Not Applicable

*(N.B. An Interest Commencement Date will not be relevant for certain Notes or S.O. Bonds, for example Zero Coupon Notes or Zero Coupon S.O. Bonds)*

8. Maturity Date: [Specify date or for Floating Rate Notes or Floating Rate S.O. Bonds – Interest Payment Date falling in or nearest to [specify month and year]]

9. (a) Extended Final Maturity: [Applicable/Not Applicable]

- (b) Extended Final Maturity Date: [Interest Payment Date falling in or nearest to [specify month and year]]

[If an Extended Final Maturity Date is specified and the Final Redemption Amount is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date. See [Condition 6(a) of the Terms and Conditions of the S.O. Bonds/Condition 6(a) of the Terms and Conditions of the VPS S.O. Bonds]]  
*(N.B. Only S.O. Bonds/VPS S.O. Bonds may be subject to Extended Final Maturity)*

10. Interest Basis: [In respect of the period from [(and including)][(but excluding)] the Interest Commencement Date to [(but excluding)][(and including)] the Maturity Date:]

[[ ] per cent Fixed Rate]  
 [Fixed Reset Notes]  
 [[ [ ] month  
 [LIBOR/EURIBOR/STIBOR/NIBOR/SONIA/SOFR/€STR/  
 specify other]] +/- [ ] per cent Floating Rate]  
 [Zero Coupon]  
 (see paragraph [15] [16] [17] [19] below)

[In respect of the period from [(and including)][(but excluding)] the Maturity Date to [(but excluding)][(and including)] the earlier of (i) the Interest Payment Date on which the S.O. Bonds are redeemed in full and (ii) the Extended Final Maturity Date:  
 [1] month [LIBOR/EURIBOR/STIBOR/NIBOR/ specify other] +/- [ ] per cent Floating Rate  
 (see paragraph 18)

*(NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*

11. Redemption Basis: Subject to any purchase and cancellation or early redemption, the [Notes/S.O. Bonds] will be redeemed on the Maturity Date at [100] [ ] per cent of their nominal amount
12. Change of Interest Basis: [*Specify the date when any change of Interest Basis occurs and/or cross-refer to paragraphs 15, 16 and/or 17 below and identify there*] [Not Applicable]
13. Put/ Call Options: [Investor Put]<sup>1</sup>  
[Issuer Call]  
[(see paragraph [20] [21] [22] [23] below)]  
[Not Applicable]
14. [(i)] [Status of the Notes: [Senior Preferred/Senior Non-Preferred/Subordinated]]<sup>2</sup>
- If Senior Non-Preferred Notes and Subordinated Notes include:*
- [Additional Amounts - Interest Only: [Applicable/Not Applicable]]
- [(ii)] Date Board approval of [ ]  
[Notes/S.O. Bonds] obtained: (*N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes or S.O. Bonds*)

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

15. Fixed Rate [Note/S.O. Bond] Provisions [Applicable [from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [ ]]/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*
- (i) Rate(s) of Interest: [ ] per cent per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date [or the Extended Final Maturity Date, as applicable]
- [There will be a [long/short] [first/last] coupon in respect of the period from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)]]
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes and S.O. Bonds in definitive form)*
- (iv) Broken Amount(s): [ ] per Calculation Amount will be payable on the Interest Payment Date falling on [ ] in respect of the period from

<sup>1</sup> Not applicable to issues of S.O. Bonds.

<sup>2</sup> Delete paragraph 14(i) in the case of an issue of S.O. Bonds.

	<i>Bonds in definitive form)</i>	[(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [Not Applicable]
(v)	Day Count Fraction:	[[30/360]/[Actual/Actual (ICMA)]/specify other]
		<i>(N.B. Only Actual/360 and 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)</i>
(vi)	Determination Date(s):	[[ ] in each year] [Not Applicable] <i>(Only relevant where Day Count Fraction is Actual/Actual (ICMA)). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)</i>
(vii)	Other terms relating to the method of calculating interest for Fixed Rate [Notes/S.O. Bonds]:	[None/give details]
16.	Fixed Reset Note Provisions	[Applicable [from [(and including)][(but excluding)] [ ] to (but excluding) [ ]]/Not Applicable] <sup>1</sup> <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>  <i>(NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)</i>
(i)	Initial Interest Rate:	[ ] per cent per annum payable in arrear on each Interest Payment Date]
(ii)	Interest Payment Date(s):	[ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date  [There will be a [long/short] [first/last] coupon in respect of the period from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)]]
(iii)	Fixed Coupon Amount to (but excluding) the First Reset Date:	[[ ] per Calculation Amount/Not Applicable]
(iv)	Broken Amount(s):	[[ ] per Calculation Amount will be payable on the Interest Payment Date falling on [ ] in respect of the period from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [Not Applicable]
(v)	Day Count Fraction:	[[30/360]/[Actual/Actual (ICMA)]/specify other]
		<i>(N.B. Only Actual/360 and 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)</i>
(vi)	Determination Date(s):	[[ ] in each year] [Not Applicable]
(vii)	First Reset Date:	[ ]
(viii)	Second Reset Date:	[ ]/[Not Applicable]
(ix)	Subsequent Reset Date(s):	[ ] [and [ ]]
(x)	First Reset Margin:	[+/-] [ ] per cent per annum

<sup>1</sup> Not applicable to issues of S.O. Bonds.

- (xi) Subsequent Reset Margin(s): [ +/- ] [ ] per cent per annum / [ ]
- (xii) Relevant Screen Page: [ ]
- (xiii) Floating Leg Reference Rate: [ ]
- (xiv) Floating Leg Screen Page: [ ]
- (xv) Initial Mid-Swap Rate: [ ] per cent per annum (quoted on [an annual/semi annual basis])
- (xvi) Calculation Agent: [ ]/[Not Applicable] (*VPS Notes which are Fixed Reset Notes require the appointment of a Calculation Agent. If not VPS Notes, insert Not Applicable*)
- (xvii) Other terms relating to the method of calculating interest for Fixed Reset Notes: [None/give details]
17. Floating Rate [Note/S.O. Bond] Provisions [Applicable [from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)] [ ]]/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]/[ ] [and [ ]] in each year, commencing on [ ], up to and including the Maturity Date [or the Extended Final Maturity Date, as applicable, subject [in each case] to adjustment in accordance with the Business Day Convention specified in paragraph 17(ii) below]  
*(N.B. Specify the Specified Period(s)/Specified Interest Payment Date(s) up to and including the Maturity Date, if applicable)*
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]  
*(N.B. Only the Following Business Day Convention (unadjusted)/Modified Following Business Day Convention (adjusted) can be applicable for Swedish Notes and Swedish S.O. Bonds)*
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/ specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]/[Not Applicable] (*VPS Notes or S.O. Bonds require the appointment of a Calculation Agent*)
- (vi) Screen Rate Determination: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- Reference Rate: [ ] month  
[LIBOR/EURIBOR/STIBOR/NIBOR/SONIA/SOFR/€STR/  
*specify other*]
- Interest Determination Date(s): [ ]<sup>1</sup>  
(*Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, second day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period if STIBOR or second day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period if NIBOR*)  
(*N.B. Specify the Interest Determination Date(s) up to and including the Maturity Date, if applicable*)
- Relevant Screen Page: [ ] [New York Federal Reserve's Website]/[ECB's Website]
- Financial Centre Time: [ ]  
(*11.00 a.m. (London time, in the case of LIBOR, Brussels time, in the case of EURIBOR or Stockholm time, in the case of STIBOR) or 12.00 noon (Oslo time, in the case of NIBOR)*)
- Calculation Method: [Weighted Average/Compounded Daily/Not Applicable]
- Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
- Observation Lock-back Period: [ ]/[Not Applicable]<sup>2</sup>
- D: [365/360/[ ]/[Not Applicable]]
- (vii) ISDA Determination: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]  
(*the first day of the relevant Interest Period, if the applicable Floating Rate Option is based on LIBOR or on EURIBOR*)
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

<sup>1</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Agent

<sup>2</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as Observation Method; otherwise, select "Not Applicable".

- (ix) Margin(s): [ +/- ] [ ] per cent per annum
- (x) Minimum Rate of Interest: [ ] per cent per annum
- (xi) Maximum Rate of Interest: [ ] per cent per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)] [Actual/360]  
 [30/360] [360/360] [Bond Basis]  
 [30E/360] [Eurobond Basis]  
 [30E/360 (ISDA)]  
 [Other]  
*(See Condition 5 of the Terms and Conditions of the Notes/Terms and Conditions of the VPS Notes or Condition 4 of the Terms and Conditions of the S.O. Bonds/Terms and Conditions of the VPS S.O. Bonds for alternatives)*  
*(N.B. Only Actual/360 and 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)*
- (xiii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate [Notes/S.O. Bonds], if different from those set out in the Conditions: [None/give details]
18. Extended Final Maturity Interest Provisions: [Applicable from [(and including)][(but excluding)] the Maturity Date to [(but excluding)][(and including)] the earlier of (i) the Interest Payment Date on which the S.O. Bonds are redeemed in full and (ii) the Extended Final Maturity Date/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ] / [ [ ] [and [ ] ] in each year, commencing on [ ], up to and including the Maturity Date [or the Extended Final Maturity Date, as applicable, subject [in each case] to adjustment in accordance with the Business Day Convention specified in paragraph 18(ii) below]  
*(N.B. Specify the Specified Period(s)/Specified Interest Payment Date(s) up to and including the Extended Final Maturity Date, if applicable)*
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]  
*(N.B. Only the Following Business Day Convention (unadjusted)/Modified Following Business Day Convention (adjusted) can be applicable for Swedish Notes and Swedish S.O. Bonds)*

- (iii) Additional Business Centre(s):  [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):  [ ]/[Not Applicable] (*VPS S.O. Bonds require the appointment of a Calculation Agent*)
- (vi) Screen Rate Determination: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate:  [ ] month  
[LIBOR/EURIBOR/STIBOR/NIBOR/SONIA/SOFR/€STR/specify other]
  - Interest Determination Date(s):  [ ]  
(*Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, second day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period if STIBOR or second day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period if NIBOR*)  
(*N.B. Specify the Interest Determination Date(s) up to and including the Extended Final Maturity Date, if applicable*)
  - Relevant Screen Page:  [ ] [New York Federal Reserve's Website]/[ECB's Website]
  - Financial Centre Time:  [ ]  
(*11.00 a.m. (London time, in the case of LIBOR, Brussels time, in the case of EURIBOR or Stockholm time, in the case of STIBOR) or 12.00 noon (Oslo time, in the case of NIBOR)*)
  - Calculation Method: [Weighted Average/Compounded Daily/Not Applicable]
  - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
  - Observation Look-back Period:  [ ]/[Not Applicable]<sup>1</sup>
  - D: [365/360/[ ]/[Not Applicable]]
- (vii) ISDA Determination: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

<sup>1</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable"

- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]  
(the first day of the relevant Interest Period, if the applicable Floating Rate Option is based on LIBOR or on EURIBOR)
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (ix) Margin(s): [+/-] [ ] per cent per annum
- (x) Minimum Rate of Interest: [ ] per cent per annum
- (xi) Maximum Rate of Interest: [ ] per cent per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Other]  
(See Condition 4 of the Terms and Conditions of the S.O. Bonds/Terms and Conditions of the VPS S.O. Bonds for alternatives)  
  
(N.B. Only Actual/360 and 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)
- (xiii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate S.O. Bonds, if different from those set out in the Conditions: [None/give details]
19. Zero Coupon [Note/S.O. Bond] Provisions<sup>1</sup> [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [ ] per cent per annum
  - (ii) Reference Price: [ ]
  - (iii) Day Count Fraction in relation to [Early Redemption Amount] [Actual/360] [Amortised Face Amount] (insert Amortised Face Amount for S.O. Bonds): [Actual/365]  
(N.B. Only Actual/360 and 30/360 can be applicable for Swedish Notes and Swedish S.O. Bonds)
  - (iv) Any other formula/basis of determining amount payable for Zero Coupon [Notes/S.O.] [None/give details]

<sup>1</sup> Zero Coupon Notes and Zero Coupon S.O. Bonds not to be issued with an Extended Final Maturity Date unless otherwise agreed with the Dealers.

Bonds]:

## PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]/[Any date from [(and including)][(but excluding)] [ ] to [(but excluding)][(and including)]  
  
*(NB: In the case of Swedish Notes or Swedish S.O. Bonds, each period will commence on (but excluding) the relevant date to (and including) the relevant date)*
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount/specify other/see Appendix
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]/[Not Applicable]
- (b) Higher Redemption Amount: [ ]/[Not Applicable]
- (iv) Notice periods: [ ]  
*(N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing systems' business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
21. Investor Put: [Applicable/Not Applicable]<sup>1</sup>  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount/specify other/see Appendix
- (iii) Notice periods: [ ]  
*(N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing systems' business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
22. Optional Redemption for Senior Non-Preferred Notes: [Not Applicable]  
  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

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<sup>1</sup> Select "Not Applicable" in the case of S.O. Bonds.

- (i) MREL Disqualification Event Redemption: [Applicable – MREL Disqualification Event Redemption Amount: [ ] per Calculation Amount (*specify the amount payable on redemption for a MREL Disqualification Event*)/Not Applicable]
- (ii) Tax Event Redemption: [Applicable - Tax Event Early Redemption Amount: [ ] per Calculation Amount (*specify the amount payable on redemption for a Tax Event*)/Not Applicable]
- (iii) Variation or Substitution instead of Redemption: [Applicable - Condition 7(1) applies/Not Applicable]
23. Optional Redemption for Subordinated Notes: [Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Capital Event Redemption: [Applicable - Capital Event Redemption Amount: [[ ] per Calculation Amount/*specify other/see Appendix*] (*specify the amount payable on redemption for a Capital Event*)/Not Applicable]
- (ii) Tax Event Redemption: [Applicable - Tax Event Early Redemption Amount: [[ ] per Calculation Amount/*specify other/see Appendix*] (*specify the amount payable on redemption for a Tax Event*)/Not Applicable]
- (iii) Variation or Substitution instead of Redemption: [Applicable - Condition 7(1) applies/Not Applicable]
24. Final Redemption Amount: [[ ] per Calculation Amount/*specify other/see Appendix*]
25. Early Redemption Amount(s) payable [on redemption for taxation reasons or (*delete in the case of Subordinated Notes*)] on event of default and/or the method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/*specify other/see Appendix*/Not Applicable] (*Insert 'Not Applicable' for S.O. Bonds*)  
*(N.B. If the Final Redemption Amount is 100 per cent of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

#### **GENERAL PROVISIONS APPLICABLE TO THE [NOTES/S.O. BONDS]**

26. Form of [Notes/S.O. Bonds]:
- (a) Form: [Temporary Global [Note/S.O. Bond] exchangeable for a Permanent Global [Note/S.O. Bond] which is exchangeable for Definitive [Notes/S.O. Bonds] [on 60 days' notice given at any time/only upon an Exchange Event].]  
  
[Temporary Global [Note/S.O. Bond] exchangeable for Definitive [Notes/S.O. Bonds] on and after the Exchange Date.]  
  
[Permanent Global [Note/S.O. Bond] exchangeable for Definitive [Notes/S.O. Bonds] [on 60 days' notice given at any time/only upon an Exchange Event].]  
  
[[[VPS [Notes/S.O. Bonds]] [Swedish [Note/S.O. Bonds]] issued in registered, uncertificated and dematerialised book-

entry form.]

*(N.B. The exchange on 60 days' notice given at any time option above should not be expressed to be applicable if the Specified Denominations of the Notes and S.O. Bonds in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes or S.O. Bonds which is to be represented on issue by a Temporary Global Note or Temporary Global S.O. Bond exchangeable for Definitive Notes or S.O. Bonds)*

- (b) New Global [Note/S.O. Bond] [Yes] [No]  
*(If Swedish Notes, Swedish S.O. Bonds, VPS Notes or VPS S.O. Bonds, must be "No".)*
27. Additional Financial Centre(s): [Not Applicable/give details]  
*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which sub-paragraphs 17(iii) and 18(iii) relate)*
28. Talons for future Coupons to be attached to Definitive [Notes/S.O. Bonds]: [Yes, as the [Notes/S.O. Bonds] have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/ No.] [Not Applicable]  
*(If Swedish Notes, Swedish S.O. Bonds, VPS Notes or VPS S.O. Bonds, must be "Not Applicable")*
29. Other terms or special conditions: [Not Applicable/give details]

Signed on behalf of Landshypotek Bank AB (publ):

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

1. **LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the [Notes/S.O. Bonds] to be listed on [*specify market – note this must not be an EEA regulated market*] with effect from [ ]]. [Not Applicable]
2. **RATINGS**  
Ratings: [The [Notes/S.O. Bonds] [have been] [are expected to be] assigned the following ratings] [The following ratings reflect the ratings assigned to [Notes/S.O. Bonds] of this type issued under the Programme generally]:  
[ ] by [S&P Global Ratings Europe Limited]  
[Not Applicable]
3. **USE OF PROCEEDS**  
Reasons for the offer: [Green bonds – [financing][re-financing] investments related to [sustainable forestry][renewable energy][green buildings][*specify other*]] / [Not Applicable]
4. **OPERATIONAL INFORMATION**
- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]  
[*Verdipapirsentralen*, Norway VPS Identification number [ ]]. The Issuer shall be entitled to obtain information from the register maintained by the VPS for the purpose of performing its obligations under the VPS [Notes/S.O. Bonds]  
[Euroclear Sweden, the Swedish Central Securities Depository (Euroclear Sweden identification number: [•]). The Swedish Issuing Agent shall be entitled to obtain information from the register maintained by Euroclear Sweden for the purpose of performing its obligations under the Swedish [Notes/S.O. Bonds]]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [ ] [Not Applicable]
- (vi) Names of Swedish Issuing Agent (if any): [ ] [Not Applicable]
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes (*If Swedish Notes, Swedish S.O. Bonds, VPS Notes or VPS S.O. Bonds, must be "No"*). Note that the designation "yes" simply means that the [Notes/S.O. Bonds] are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the [Notes/S.O. Bonds] will be

recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the [Notes/S.O. Bonds] are capable of meeting them the [Notes/S.O. Bonds] may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the [Notes/S.O. Bonds] will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 5. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/give name(s)]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (v) U.S. Selling Restrictions: Reg. S Compliance Category 2;  
[TEFRA D/TEFRA C/TEFRA not applicable]

*(N.B. TEFRA is not applicable for Swedish Notes and Swedish S.O. Bonds)*

- (vi) Additional selling restrictions: [Not Applicable/give details]

## 6. THIRD PARTY INFORMATION

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

## 7. PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

[Applicable] / [Not Applicable]

*(If the offer of the Notes or S.O. Bonds being offered do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes or S.O. Bonds may constitute "packaged" products, "Applicable" should be specified unless the Issuer has drawn up a key information document in accordance with the PRIIPs Regulation)*

## 8. BENCHMARKS:

Relevant Benchmark: [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name]][appears]/[does not appear]][repeat as necessary] in the register of administrators and

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

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms or Pricing Supplement (or in each case the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note.*

This Note is one of a Series (as defined below) of Notes issued by Landshypotek Bank AB (publ) (the **Issuer**) pursuant to the Agency Agreement (as defined below).

Notes may be in bearer form (the **Bearer Notes**) or in registered, uncertificated and dematerialised book-entry form.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any Notes in definitive form (**Definitive Notes**) issued in exchange for a Global Note; and
- (iv) any registered, uncertificated and dematerialised Notes in book-entry form registered in the Swedish Central Securities Depository and Clearing Organisation Euroclear Sweden AB, incorporated in Sweden with registered number 556112-8074 (**Swedish Notes** and **Euroclear Sweden** respectively).

The Notes (other than the Swedish Notes, save to the extent provided herein) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 4 May 2020 and made between the Issuer, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent), and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

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

Interest bearing Definitive Notes have interest coupons (**Coupons**) and in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions or, if this Note is neither admitted to trading on a regulated market in the European Economic Area or the United Kingdom nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of a pricing supplement relating to this Note (the **Pricing Supplement**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the **applicable Final Terms** are, except in the case of a Swedish Note, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. In the case of a Swedish Note, reference herein

to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) prepared by the Issuer in relation to the Swedish Notes. If this Note is an Exempt Note, any reference in these Terms and Conditions to "Final Terms" shall be deemed to include a reference to the applicable Pricing Supplement where relevant. The expression **Regulation** means Regulation (EU) 2017/1129 (as amended or superseded).

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note and any Swedish Notes, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

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

The Noteholders (other than holders of Swedish Notes) and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 4 May 2020 and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

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

## **1. Form, Denomination and Title**

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

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

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

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing

thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

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

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

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

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

No physical Swedish Notes or certificates will be issued in respect of the Swedish Notes and the provisions in these Conditions relating to presentation, surrender or replacement of such physical Swedish Notes or certificates shall not apply to the Swedish Notes.

## **2. Status of the Notes**

### **(a) Status – Senior Preferred Notes**

- (i) This Condition 2(a) is applicable in relation to Notes specified in the applicable Final Terms as being Senior Preferred Notes and references to **Notes** and **Coupons** in this Condition 2(a) shall be construed accordingly.
- (ii) Senior Preferred Notes and any relative Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all

other unsecured obligations (other than subordinated obligations and Senior Non-Preferred Liabilities, if any) of the Issuer, from time to time outstanding.

(b) *Status – Senior Non-Preferred Notes*

- (i) This Condition 2(b) is applicable in relation to Notes specified in the applicable Final Terms as being Senior Non-Preferred Notes and references to **Notes** and **Coupons** in this Condition 2(b) shall be construed accordingly.
- (ii) Senior Non-Preferred Notes, and any relative Coupons, constitute unsubordinated and unsecured obligations, with Senior Non-Preferred Ranking, of the Issuer. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the Noteholders to payments on or in respect of such Notes shall rank:
  - (A) *pari passu* without any preference among themselves;
  - (B) *pari passu* with the rights of holders of all other Senior Non-Preferred Liabilities of the Issuer;
  - (C) senior to the rights of holders of any subordinated obligation of the Issuer, including any subordinated obligation of the Issuer which constitutes, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital or any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument, which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities of the Issuer;
  - (D) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and
  - (E) junior in right of payment to any present or future claims of (x) depositors of the Issuer, and (y) other unsubordinated creditors of the Issuer (including holders of Senior Preferred Notes) that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer.

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

- (iii) No Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Senior Non-Preferred Notes held by such Noteholder.

(c) *Status – Subordinated Notes*

- (i) This Condition 2(c) is applicable in relation to Notes specified in the applicable Final Terms as being Subordinated Notes and references to **Notes** and **Coupons** in this Condition 2(c) shall be construed accordingly.
- (ii) Subordinated Notes, and any relative Coupons, constitute subordinated and unsecured obligations of the Issuer. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the Noteholders to payments on or in respect of such Notes shall rank:
  - (A) *pari passu* without any preference among themselves;
  - (B) at least *pari passu* with the rights of holders of all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital;
  - (C) senior to the rights of holders of any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument;

- (D) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and
- (E) junior in right of payment to any present or future claims of (x) depositors of the Issuer, (y) other unsubordinated creditors of the Issuer, and (z) subordinated creditors of the Issuer whose rights are expressed to rank in priority to the holders of the Notes.

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

- (iii) No Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Subordinated Notes held by such Noteholder.

As used herein:

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

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

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

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

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

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

**CRD IV** means, as the context requires, any or any combination of the CRD IV Directive, the CRR and/or any CRD IV Implementing Measures;

**CRD IV Directive** means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

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

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

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

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

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

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

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

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

**Subsidiary** has the meaning given in Condition 10(a).

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

**3. This Condition 3 has been left blank intentionally**

**4. This Condition 4 has been left blank intentionally**

**5. Interest**

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date to (but excluding) the Maturity Date *provided that* in the case of each Fixed Rate Note which is a Swedish Note, such Swedish Note shall bear interest from (but excluding) the Interest Commencement Date to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note;
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount; or
- (C) in the case of Fixed Rate Notes which are Swedish Notes, the aggregate outstanding nominal amount of the Fixed Rate Note;

and, in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

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

In these Terms and Conditions:

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

**Determination Period** means the period from (and including) a Determination Date (or, in the case of Swedish Notes, from (but excluding) a Determination Date) to but excluding the next Determination Date (or, in the case of Swedish Notes, to (and including) the next Determination Date);

**Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) (or, in the case of Swedish Notes, from (but excluding) an Interest Payment Date (or the Interest Commencement Date)) to (but excluding) the next (or first) Interest Payment Date (or, in the case of Swedish Notes, to (and including) the next (or first) Interest Payment Date);

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

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

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

(b) *Interest on Fixed Reset Notes*

Each Fixed Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date (or, in the case of each Fixed Reset Note which is a Swedish Note, from (but excluding) the Interest Commencement Date) to (but excluding) the First Reset Date (or, in the case of each Fixed Reset Note which is a Swedish Note, to (and including) the First Reset Date) at the rate per annum equal to the Initial Interest Rate;
- (ii) from (and including) the First Reset Date (or, in the case of each Fixed Reset Note which is a Swedish Note, from (but excluding) the First Reset Date) to (but excluding) the Second Reset Date or, if none, the Maturity Date (or, in the case of each Fixed Reset Note which is a Swedish Note, to (and including) the Second Reset Date or, if none, the Maturity Date) (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and
- (iii) if applicable, from (and including) the Second Reset Date (or, in the case of each Fixed Reset Note which is a Swedish Note, from (but excluding) the Second Reset Date) to (but excluding) the first Subsequent Reset Date (if any) (or, in the case of each Fixed Reset Note which is a Swedish Note, to (and including) the first Subsequent Reset Date (if any)), and each successive period from (and including) any Subsequent Reset Date (or, in the case of each Fixed Reset Note which is a Swedish Note, from (but excluding) any Subsequent Reset Date) to (but excluding) the next succeeding Subsequent Reset Date (if any) (or, in the case of each Fixed Reset Note which is a Swedish Note, to (and including) the next succeeding Subsequent Reset Date (if any)) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (or in the case of each Fixed Reset Note which is a Swedish Note, to (but excluding) the Maturity Date).

The provisions of Condition 5(c)(vi) shall apply to the Fixed Reset Notes, as applicable, in respect of any determination by the Agent of the Rate of Interest for a Reset Period, as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 5(b). Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 5(a) shall apply to the Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Terms and Conditions:

**Business Day** has the meaning specified in Condition 5(c)(i);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Reset Reference Bank Rate** means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the percentage determined on the basis of the Reset Period Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date. The Agent (or, if the Agent is unable to make such request, the Issuer or its duly appointed agent) will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for the Reset Date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in

the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate;

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

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

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

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

(c) *Interest on Floating Rate Notes*

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date (or, in the case of each Floating Rate Note which is a Swedish Note, from (but excluding) the Interest Commencement Date) and such interest will be payable in arrear on either:

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

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 5(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

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

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

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

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

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

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

(a) where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being **Compounded Daily**, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 5(d) (Benchmark Replacement) and Condition 5(c)(iii) (Minimum Rate of Interest and/or Maximum Rate of Interest)) be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

(b) where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being **Weighted Average**, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 5(d) (Benchmark Replacement) and Condition 5(c)(iii) (Minimum Rate of Interest and/or Maximum Rate of Interest)) be the Weighted Average Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

(2) Where **SONIA** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 5(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:

(a) (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus  
(ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread,

one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

- (b) if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraph above, and without prejudice to Condition 5(d) (Benchmark Replacement), in the event of the Bank of England publishing guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent reasonably practicable, follow such guidance in order to determine the SONIA rate, for purposes of the Notes, for so long as the SONIA rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Terms and Conditions of the Notes or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Rate of Interest, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Terms and Conditions of the Notes and the Agency Agreement. No consent of the Noteholders shall be required in connection with effecting any amendment or modification in accordance with the foregoing, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (if required).

- (3) Where **SOFR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 5(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page.
- (4) Where **€STR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 5(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published on the Relevant Screen Page.
- (5) For the purposes of this Condition 5(c)(ii):

**Applicable Period** means,

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

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

such Interest Period; and (iii) where **€STR** is specified as the Reference Rate, a TARGET Settlement Day;

**Compounded Daily Reference Rate** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

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

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

**d<sub>0</sub>** means, for the relevant Applicable Period, the number of Business Days in such Applicable Period;

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

**i** means, for the relevant Applicable Period, a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant Business Day in chronological order from and including, the first Business Day in such Applicable Period;

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

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

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

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

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

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

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

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

**$r_i - p^{BD}$**  means:

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

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

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

**TARGET Settlement Day** means any day on which TARGET2 is open for the settlement of payments in euro;

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

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

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

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

where:

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

**r<sub>i</sub>-p<sup>BD</sup>** means (unless otherwise specified in the applicable Final Terms):

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

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

- (iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance

with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

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

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

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

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note;
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount; or
- (C) in the case of Floating Rate Notes which are Swedish Notes, the aggregate outstanding nominal amount of the Notes;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5(c):

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(v) **Linear Interpolation**

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

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

(vi) **Notification of Rate of Interest and Interest Amounts**

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Swedish Issuing Agent (in the case of Swedish Notes) and any stock exchange on which the Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vii) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(c), by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents, the Swedish Issuing Agent and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) **Benchmark Replacement**

Notwithstanding the foregoing provisions of this Condition 5, if the Issuer (in consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Rate or Reference Rate (as applicable), the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (in consultation with the Issuer) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) no later than five Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 5(d));
- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Mid-Swap Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Mid-Swap Rate or Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Mid-Swap Rate or Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Mid-Swap Rate or Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided, however, that* if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the date falling not less than five Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this sub-paragraph (iii), the Mid-Swap Rate or Reference Rate applicable to such Reset Period or Interest Period (as applicable) shall be equal to the Mid-Swap Rate or Reference Rate (as applicable) for a term equivalent to the relevant Interest Period or Reset Period published on the Relevant Screen Page as at the last preceding Reset Date or Interest Determination Date (as applicable) (though substituting, where a different First Reset Margin, Subsequent Reset Margin or Margin (as applicable) is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period, the First Margin, Subsequent Margin or Margin (as applicable) relating to the relevant Reset Period or Interest Period, in place of the margin relating to that last preceding Reset Period or Interest Period);
- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 5(d));
- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for

determining, such Adjustment Spread, such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;

- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) may also specify changes to the definitions of Day Count Fraction, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Mid-Swap Rate or Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 5(d)); and
- (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Agent and the Noteholders.

Notwithstanding any other provision of this Condition 5(d), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(d), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

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

Notwithstanding any other provision of this Condition 5(d), no Successor Rate or Alternative Benchmark Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 5(d), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Senior Non-Preferred Notes as MREL Eligible Liabilities or the relevant Series of Subordinated Notes as Tier 2 Capital of the Issuer or the Landshypotek Consolidated Situation, as the case may be.

In the case of Senior Non-Preferred Notes only, no Successor Rate or Alternative Benchmark Rate (as applicable) will be adopted, and no other amendments to the terms of such Notes will be made to this Condition 5(d), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Competent Authority under the Applicable MREL Regulations treating a future Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

In these Terms and Conditions:

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

- (i) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Mid-Swap Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or

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

**Benchmark Event** means:

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

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

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

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

- (e) *Accrual of interest*

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

- (1) the date on which all amounts due in respect of such Note have been paid; and

- (2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## **6. Payments**

### **(a) *Method of payment***

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

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

### **(b) *Presentation of Definitive Notes and Coupons***

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes, and payments of interest in respect of Definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Fixed Reset Note or Long Maturity Note in definitive form becomes due and repayable, unmaturing Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon *provided that* such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

(c) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *Payments in respect of Swedish Notes*

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

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

(f) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation;
  - (B) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(g) *Interpretation of principal and interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Tax Event Early Redemption Amount of the Notes;
- (v) the Optional Redemption Amount(s) (if any) of the Notes;
- (vi) the MREL Disqualification Event Redemption Amount of the Notes;
- (vii) the Capital Event Redemption Amount of the Notes;
- (viii) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and
- (ix) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes. Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

## 7. **Redemption and Purchase**

(a) *Redemption at maturity*

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

(b) *Redemption for tax reasons*

- (i) This Condition 7(b)(i) is applicable in relation to Notes specified in the applicable Final Terms as Senior Preferred Notes and references to **Notes** in this Condition 7(b)(i) shall be construed accordingly.

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption and (in respect of Swedish Notes) shall further specify the applicable closed period)), if, as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

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

Notes redeemed pursuant to this Condition 7(b)(i) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below, together with interest accrued (in the case of Notes other than Swedish Notes) to (but excluding) the date of redemption and (in the case of Swedish Notes) to (and including) the date of redemption.

- (ii) This Condition 7(b)(ii) is applicable in relation to Notes specified in the applicable Final Terms as Senior Non-Preferred Notes or Subordinated Notes and references to **Notes** in this Condition 7(b)(ii) shall be construed accordingly.

If Tax Event Redemption is specified as being applicable in the applicable Final Terms, the Notes may, subject as provided in Condition 7(k), be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption and (in respect of Swedish Notes) shall further specify the applicable closed period)), if a Tax Event occurs.

**Tax Event** means, as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, *provided that* the Issuer satisfies the Competent Authority that such change in tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date of the first Tranche of the Notes and *provided further that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by two duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal

advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7(b)(ii) will be redeemed at their Tax Event Early Redemption Amount(s) specified in the applicable Final Terms, together with interest accrued (in the case of Notes other than Swedish Notes) to (but excluding) the date of redemption and (in the case of Swedish Notes) to (and including) the date of redemption.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject (in the case of Senior Non-Preferred Notes or Subordinated Notes) as provided in Condition 7(k), having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption and (in respect of Swedish Notes) shall further specify the applicable closed period), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued (in the case of Notes other than Swedish Notes) to (but excluding) the relevant Optional Redemption Date and (in the case of Swedish Notes) to (and including) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by Definitive Notes, be selected individually by lot, (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and (iii) in the case of Redeemed Notes which are Swedish Notes, in accordance with the Euroclear Sweden Rules (to be reflected in the records of Euroclear Sweden as a reduction in nominal amount), in each case not more than 30 days prior to the date fixed for redemption. In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

(d) *Redemption at the option of the Noteholders (Investor Put)*

This Condition 7(d) is applicable in relation to Notes specified in the applicable Final Terms as Senior Preferred Notes and references to **Notes** in this Condition 7(d) shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued (in the case of Notes other than Swedish Notes) to (but excluding) the Optional Redemption Date and (in the case of Swedish Notes) to (and including) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable during normal business hours of such Paying Agent from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

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

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

(e) *Early Redemption Amounts*

For the purpose of paragraph 7(b)(i) above and Condition 10:

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

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

**RP** means the Reference Price;

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

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

(f) *Purchases*

The Issuer or any Subsidiary of the Issuer may, subject (in the case of Senior Non-Preferred Notes or Subordinated Notes) as provided in Condition 7(k), at any time purchase Notes (*provided that*, in the

case of Definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased (together with all unmatured Coupons and Talons attached thereto or surrendered therewith) at any price in the open market or otherwise. All Notes so purchased will be surrendered to a Paying Agent for cancellation.

(g) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (f) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(h) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

(i) *Redemption at the option of the Issuer in case of an MREL Disqualification Event*

This Condition 7(i) applies only in the case of Notes specified in the applicable Final Terms as being Senior Non-Preferred Notes in respect of which MREL Disqualification Event Redemption applies.

If a MREL Disqualification Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant MREL Disqualification Event, at its option, but subject as provided in Condition 7(k), give notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption and (in respect of Swedish Notes) shall further specify the applicable closed period) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed:

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

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

In these Terms and Conditions:

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

(j) *Redemption at the option of the Issuer in case of a Capital Event*

This Condition 7(j) applies only in the case of Notes specified in the applicable Final Terms as being Subordinated Notes in respect of which Capital Event Redemption applies.

If a Capital Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant Capital Event, at its option, but subject as provided in Condition 7(k), give notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption and (in respect of Swedish Notes) shall further specify the applicable closed period) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed:

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

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

In these Terms and Conditions:

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

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

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

(k) *Redemption and Purchase of Senior Non-Preferred Notes and Subordinated Notes only with Prior Approval*

In the case of Notes specified in the applicable Final Terms as being Senior Non-Preferred or Subordinated, no early redemption or purchase as contemplated by this Condition 7 of such Notes may be made without the prior consent of the Competent Authority (if such permission is then required (in the case of Senior Non-Preferred Notes) by the Applicable MREL Regulations or (in the case of Subordinated Notes) by the Capital Regulations).

(l) *Variation or Substitution instead of Redemption*

This Condition 7(l) is applicable in relation to Notes specified in the applicable Final Terms as Senior Non-Preferred Notes or Subordinated Notes and where this Condition 7(l) is specified as being applicable in the applicable Final Terms and references to **Notes** in this Condition 7(l) shall be construed accordingly.

If at any time a Capital Event occurs (if Capital Event Redemption is specified as being applicable in the applicable Final Terms in relation to the Subordinated Notes) or an MREL Disqualification Event occurs (if MREL Disqualification Event Redemption is specified as being applicable in the applicable Final Terms in relation to the Senior Non-Preferred Notes) or a Tax Event occurs (if Tax Event Redemption is specified as being applicable in the applicable Final Terms), then the Issuer may, subject to the approval of the Competent Authority, without any requirement for the consent or approval of the

Noteholders and having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption and (in respect of Swedish Notes) shall further specify the applicable closed period)), at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Securities (as defined below), *provided that* such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities that are inconsistent with the redemption provisions of the Notes.

In these Terms and Conditions:

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

**Senior Non-Preferred Qualifying Securities** means, for the purpose of this Condition 7(1), securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (i) have terms not materially less favourable to a Noteholder than the terms of the Senior Non-Preferred Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (ii) include a ranking at least equal to that of the Senior Non-Preferred Notes;
- (iii) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred Notes;
- (iv) have the same redemption rights as the Senior Non-Preferred Notes (although they need not contain all of the rights of the Issuer under Condition 7);
- (v) comply with the then current requirements of the Applicable MREL Regulations in relation to MREL Eligible Liabilities;
- (vi) preserve any existing rights under the Senior Non-Preferred Notes to any accrued interest which has not been paid in respect of the period from (and including) (or in the case of Swedish Notes, from (but excluding)) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date);
- (vii) are assigned (or maintain) the same or higher credit ratings as were assigned to the Senior Non-Preferred Notes immediately prior to such substitution or variation; and
- (viii) are listed on a recognised stock exchange if the Senior Non-Preferred Notes were listed immediately prior to such substitution or variation;

**Subordinated Qualifying Securities** means, for the purpose of this Condition 7(1), securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (i) have terms not materially less favourable to a Noteholder than the terms of the Subordinated Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (ii) include a ranking at least equal to that of the Subordinated Notes;
- (iii) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes;
- (iv) have the same redemption rights as the Subordinated Notes (although they need not contain all of the rights of the Issuer under Condition 7);
- (v) comply with the then current requirements of the Capital Regulations in relation to Tier 2 capital;

- (vi) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) (or in the case of Swedish Notes, from (but excluding) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date));
- (vii) are assigned (or maintain) the same or higher credit ratings as were assigned to the Subordinated Notes immediately prior to such substitution or variation; and
- (viii) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such substitution or variation and

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

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

## 8. Taxation

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

- (a) no such additional amounts shall be payable with respect to any Note or Coupon:
  - (i) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
  - (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(e)); and
- (b) if (A) the Notes are Senior Non-Preferred Notes, Subordinated Notes and (B) "Additional Amounts - Interest Only" is specified to be applicable in the Final Terms, no such additional amounts shall be payable with respect to any such withholding or deduction imposed or levied on payments of principal in respect of such Note.

As used herein:

- (i) **Tax Jurisdiction** means the Kingdom of Sweden (**Sweden**) or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

## 9. Prescription

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

## 10. Events of Default

### (a) *Events of Default – Senior Preferred Notes only*

This Condition 10(a) applies only in the case of Notes specified in the applicable Final Terms as being Senior Preferred Notes (and references to **Notes** in this Condition 10(a) shall be construed accordingly).

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

#### (i) *Failure to pay*

The Issuer fails to pay any amount of principal or interest in respect of the Notes in the Specified Currency on the due date for payment thereof and, if such failure is due to a technical or administrative reason, such failure is not remedied within five Stockholm Business Days; or

#### (ii) *Other Obligations*

The Issuer fails duly to perform or comply with any other obligation under or in respect of the Notes and Coupons and such failure, if capable of remedy, is not remedied within 20 Business Days after written notice thereof, addressed to the Issuer by any Noteholder or Couponholder has been delivered to the Issuer or to the Agent; or

#### (iii) *Cross Default*

Any indebtedness for borrowed money of the Issuer or any of its Subsidiaries becomes, or is declared, due and payable prior to the scheduled maturity as a result of a default thereunder or any such indebtedness for borrowed money or interest thereon is not paid when due or within any applicable grace period therefor or any guarantee or indemnity given by the Issuer or any of its Subsidiaries in respect of any borrowed money is not honoured when due and called upon or within any applicable grace period therefor *provided that* any such event shall not constitute an Event of Default unless the indebtedness for borrowed money or the liability of the Issuer or any of its Subsidiaries under the guarantee or indemnity concerned exceeds U.S.\$10,000,000 (or its equivalent in other currencies); or

#### (iv) *Insolvency and Rescheduling*

The Issuer or any of its Subsidiaries is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors; or

#### (v) *Winding-up*

Save in connection with a Permitted Merger, the Issuer or any of its Subsidiaries takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues and assets; or

#### (vi) *Execution or Distress*

Any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertaking or assets of the Issuer or any of its Subsidiaries; or

#### (vii) *Analogous Events*

Any event occurs which under the laws of any jurisdiction has a similar or analogous effect to any of these events mentioned in paragraphs (iv) (*Insolvency and Rescheduling*); (v) (*Winding-up*) or (vi) (*Execution or Distress*); or

(viii) *Repudiation*

The Issuer repudiates its obligations in respect of the Notes or does or causes to be done any act or thing evidencing an intention to repudiate such obligations; or

(ix) *Validity and Admissibility*

At any time any act, condition or thing required to be done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Notes and the Coupons admissible in evidence in Sweden is not done, fulfilled or performed; or

(x) *Illegality*

At any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Notes or any of the obligations of the Issuer thereunder are not or cease to be legal, valid and binding,

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or the Agent, effective upon the date of receipt thereof by the Issuer or the Agent (or, in the case of Swedish Notes, upon the date on which the relevant Swedish Notes have been transferred to the account designated by the Swedish Issuing Agent and blocked for further transfer by such Swedish Issuing Agent), be declared immediately due and payable, whereupon it shall become immediately due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of these Terms and Conditions:

**Group** means the Issuer and its Subsidiaries for the time being;

**Net Worth** means the aggregate, immediately prior to a Permitted Merger, of the amounts paid up or credited as paid up on the issued share capital of the Group (other than any redeemable shares) and the aggregate amount of the reserves of the Group including:

- (a) any amount credited to share premium account;
- (b) any capital redemption reserve fund; and
- (c) any balance standing to the credit of the profit and loss account of the Group, but deducting:
  - (i) any debit balance on the consolidated profit and loss account of the Group;
  - (ii) any dividend or distribution declared, recommended or made by any member of the Group to the extent payable to a person who is not a member of the Group (as defined below) and such distribution is not provided for in the most recent financial statements,

and so that no amount shall be included or excluded more than once;

**Permitted Merger** means:

- (a) a reconstruction or amalgamation while solvent of any member or members of the Group other than the Issuer;
- (b) a voluntary solvent winding-up or dissolution either in connection with, or following and as a result of, the transfer of the business, undertaking and assets of any member of the Group other than the Issuer to another member or members of the Group, in each case, where Net Worth is not reduced; or
- (c) a voluntary merger of the Issuer with the Landshypotek Ekonomisk Förening or another company provided such company is a financial institution as set out in the Act on Banking and Financing Activities (2004:297) as amended or replaced;

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

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

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

(b) *Events of Default –Senior Non-Preferred and Subordinated Notes*

(i) This Condition 10(b) applies only in the case of Notes specified in the applicable Final Terms as being Senior Non-Preferred Notes or Subordinated Notes (and references to **Notes** in this Condition 10(b) shall be construed accordingly).

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

(A) the Issuer shall default in the payment of principal in respect of any Note due and payable in accordance with these Terms and Conditions or the Issuer shall default in the payment of interest due on any Notes on an Interest Payment Date or any other date on which the payment of interest is compulsory and any such default continues for five Stockholm Business Days; or

(B) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Issuer under the Notes) or the Issuer is otherwise declared bankrupt (*konkurs*) or put into liquidation (*likvidation*), in each case by a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same,

the holder of any Note may:

(1) (in the case of (A) above) institute proceedings for the Issuer to be declared bankrupt or its winding-up or liquidation, in each case in the Kingdom of Sweden and not elsewhere, and prove or claim in the bankruptcy or liquidation of the Issuer; and/or

(2) (in the case of (B) above), prove or claim in the bankruptcy or liquidation of the Issuer, whether in the Kingdom of Sweden or elsewhere and instituted by the Issuer itself or by a third party,

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

(iii) In any of the events or circumstances described in (i)(B) above, the holder of any Note may, by written notice addressed by the holder thereof to the Issuer, and delivered to the Issuer or the Agent, effective upon the date of receipt thereof by the Issuer or the Agent, declare such Note to be due and payable, whereupon it shall become due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any), but subject to such holder only being able to claim payment in respect of the Notes in the bankruptcy or liquidation of the Issuer.

(iv) The holder of a Note may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to Condition 10(b)(ii) or 10(b)(iii) above, any obligation for the payment of any principal or interest in respect of the Notes) *provided that the*

Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

- (v) No remedy against the Issuer, other than as provided in Condition 10(b)(ii), 10(b)(iii) and 10(b)(iv) above, shall be available to the holders of Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings under the Notes.

## **11. Replacement of Notes, Coupons and Talons**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued. For the avoidance of doubt, this Condition 11 shall not apply to the Swedish Notes.

## **12. Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, *provided that* so long as Notes or Swedish Notes, as the case may be, remain outstanding:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and
- (c) in the case of Swedish Notes, there will at all times be a Swedish Issuing Agent with a specified office in Sweden and a registrar, which shall be Euroclear Sweden, *provided that* such Swedish Issuing Agent is duly authorised by Euroclear Sweden.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(d). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## **13. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

## **14. Notices**

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to

have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or such other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or any other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

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

## **15. Provision of Information**

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

In order to comply with these Terms and Conditions, the Issuer and a Swedish Issuing Agent, may collect and process personal data about the holder of the Swedish Notes.

## **16. Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders (other than in respect of the holders of Swedish Notes) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than ten per cent in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than 75 per cent of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the

Agent) by or on behalf of the holders of not less than 75 per cent in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

The amended and restated programme agreement dated 4 May 2020 (as supplemented and/or amended and/or restated from time to time prior to the Issue Date of a Series of Swedish Notes) contains provisions regarding meetings of holders of Swedish Notes to consider any matter affecting their interests, including the sanctioning by a resolution of holders of a modification of the Swedish Notes. Such provisions shall have effect as if incorporated herein.

In respect of any Series of Swedish Notes, the Swedish Issuing Agent and the Issuer may agree, without the consent of the holders of the Swedish Notes, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as provided for in the provisions relating to meetings of holders of Swedish Notes) of the Swedish Notes which is not prejudicial to the interests of the holders of Swedish Notes; or
- (b) any modification of the Swedish Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the holders of Swedish Notes and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

The Swedish Issuing Agent shall, prior to and in connection with meetings of holders of Swedish Notes and otherwise as and when required to carry out its duties under these Conditions, be entitled to obtain information from the register of Noteholders kept by Euroclear Sweden in respect of the Swedish Notes (*skuldbok*), *provided that* this is permitted under the Euroclear Sweden Rules. The Swedish Issuing Agent may use the information only for the purposes of carrying out its duties and exercising its rights in respect of the issue and shall not disclose such information to the Issuer, a holder of any Swedish Notes or any third party unless necessary for such purposes.

Any modification to these Conditions in relation to any Series of Notes that are Senior Non-Preferred Notes or Subordinated Notes is subject to the prior permission of the Competent Authority (if such permission is required (in the case of Senior Non-Preferred Notes) by the Applicable MREL Regulations or (in the case of Subordinated Notes) the Capital Regulations, as the case may be).

## **17. Further Issues**

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

## **18. Third Party Rights**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## 19. Governing Law and Submission to Jurisdiction

### (a) *Governing law*

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law except that the provisions of the Notes under Conditions 2(b) and (c) are governed by, and shall be construed in accordance with, the laws of Sweden.

### (b) *Submission to jurisdiction*

Subject to Condition 19(d) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(c) For the purposes of this Condition 19, each of the Issuer and any Noteholders or Couponholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(d) This Condition 19(d) is for the benefit of the Noteholders and the Couponholders only. To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### (e) *Swedish Notes*

Without prejudice to Conditions 19(a) to (d) above, Swedish law and jurisdiction will be applicable with regard to the registration of Swedish Notes in Euroclear Sweden.

Notwithstanding that, under the SFIA Act or the Euroclear Sweden Rules (together, the **Swedish Remedies**), holders of Swedish Notes may have remedies against the Issuer for non-payment or non-performance under the Conditions applicable to such Swedish Notes, a holder of Swedish Notes must first exhaust all available remedies under English law for non-payment or non-performance before any suit, action or proceeding may be brought against the Issuer in Sweden in respect of the Swedish Remedies. Notwithstanding Condition 19(e), and in this limited respect only, a holder of Swedish Notes may therefore not take a concurrent suit, action or proceeding in Sweden.

### (f) *Appointment of Process Agent*

The Issuer appoints Business Sweden – The Swedish Trade & Invest Council at its registered office at 5 Upper Montagu Street, London W1H 2AG as its agent for service of process, and undertakes that, in the event of Business Sweden – The Swedish Trade & Invest Council ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

### (g) *Other documents*

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## 20. Swedish Statutory Bail-in Powers

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges, accepts and agrees to be bound by the exercise of, any Bail-in Power

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

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

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Bail-in Power or the date from which the Bail-in Power shall be effective with respect to the Notes, the Issuer shall notify the Noteholders in accordance with Condition 14 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in this Condition.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default and these Conditions shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes, subject to any modification of the amount of interest or other distributions payable to reflect the reduction of the principal amount, and any further modification of these Conditions that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden.

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the Notes.

## TERMS AND CONDITIONS OF THE VPS NOTES

*The following are the Terms and Conditions of the VPS Notes. VPS Notes will not be evidenced by any physical note or document of title other than a statement of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book-entry system and register maintained by the VPS. If the relevant VPS Notes are Exempt Notes, the applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such VPS Notes.*

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

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

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

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

The final terms for each Tranche of VPS Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these terms and conditions of the VPS Notes (the **VPS Conditions**) or, if the VPS Notes are neither admitted to trading on a regulated market in the European Economic Area or the United Kingdom nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of a pricing supplement relating to the VPS Notes (the **Pricing Supplement**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these VPS Conditions, replace or modify these VPS Conditions for the purposes of the VPS Notes. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) prepared by the Issuer in relation to the relevant VPS Notes. If the VPS Notes are Exempt Notes, any reference in these VPS Conditions to "Final Terms" shall be deemed to include a reference to the applicable Pricing Supplement where relevant. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended or superseded).

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

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

Copies of the VPS Agency Agreement and the VPS Trustee Agreement are available for inspection during normal business hours at the specified office of the VPS Agent and at the registered office for the time being of the VPS Trustee being at 4 May 2020 at Kronprinsesse Märthas plass 1, N-0160, Oslo, Norway. The VPS Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Agency Agreement, the VPS Trustee Agreement and the Final Terms which are applicable to them.

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

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

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

## **1. Form, Denomination and Title**

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

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

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

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

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

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

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

## **2. Status of the VPS Notes**

### **(a) Status – Senior Preferred VPS Notes**

- (i) This Condition 2(a) is applicable in relation to VPS Notes specified in the applicable Final Terms as being Senior Preferred VPS Notes and references to **VPS Notes** in this Condition 2(a) shall be construed accordingly.
- (ii) Each Tranche of Senior Preferred VPS Notes will constitute unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

### **(b) Status – Senior Non-Preferred VPS Notes**

- (i) This Condition 2(b) is applicable in relation to VPS Notes specified in the applicable Final Terms as being Senior Non-Preferred VPS Notes and references to **VPS Notes** in this Condition 2(b) shall be construed accordingly.
- (ii) Senior Non-Preferred VPS Notes constitute unsubordinated and unsecured obligations, with Senior Non-Preferred Ranking, of the Issuer. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the VPS Noteholders to payments on or in respect of such VPS Notes shall rank:
  - (A) *pari passu* without any preference among themselves;
  - (B) *pari passu* with the rights of holders of all other Senior Non-Preferred Liabilities of the Issuer;
  - (C) senior to the rights of holders of any subordinated obligation of the Issuer, including any subordinated obligation of the Issuer which constitutes, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital or any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument, which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities of the Issuer;
  - (D) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and
  - (E) junior in right of payment to any present or future claims of (x) depositors of the Issuer, and (y) other unsubordinated creditors of the Issuer (including holders of Senior Preferred VPS Notes) that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer.

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

- (iii) No VPS Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Senior Non-Preferred VPS Notes held by such VPS Noteholder.

(c) *Status – Subordinated VPS Notes*

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

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

- (iii) No VPS Noteholder who in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Subordinated VPS Notes held by such VPS Noteholder.

As used herein:

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

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

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

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

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

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

**CRD IV** means, as the context requires, any or any combination of the CRD IV Directive, the CRR and/or any CRD IV Implementing Measures;

**CRD IV Directive** means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

**CRD IV Implementing Measures** means any regulatory capital rules or regulations or other requirements, which are applicable to the Issuer and/or the Landshypotek Consolidated Situation and which prescribe (alone or in conjunction with any other rules or regulations or requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the

Issuer and/or the Landshypotek Consolidated Situation to the extent required by the CRD IV Directive or the CRR, including, for the avoidance of doubt and without limitation, any regulatory technical standards, guidelines, recommendations and/or opinions released from time to time by the European Banking Authority (or any successor or replacement thereof) or the Competent Authority, as the case may be;

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

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

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

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

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

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

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

**Subsidiary** has the meaning given in Condition 10(a).

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

**3. This Condition 3 has been left blank intentionally**

**4. This Condition 4 has been left blank intentionally**

**5. Interest**

(a) *Interest on Fixed Rate Notes*

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

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

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

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these VPS Conditions:

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

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

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

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

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

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

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

(b) *Interest on Fixed Reset Notes*

Each Fixed Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Interest Rate;
- (ii) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the Maturity Date (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and

- (iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

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

The provisions of Condition 5(c)(vi) shall apply to the Fixed Reset Notes, as applicable, in respect of any determination by the Calculation Agent of the Rate of Interest for a Reset Period as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Calculation Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 5(b). Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 5(a) shall apply to the Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these VPS Conditions:

**Business Day** has the meaning specified in Condition 5(c)(i);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Interest on Floating Rate Notes*

(i) Interest Payment Dates

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

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

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 5(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

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

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

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

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

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

If the Relevant Screen Page is not available or if, in the case of Condition 5(c)(ii)(B)(1), no offered quotation appears or, in the case of Condition 5(c)(ii)(B)(2), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is the London inter-bank offered rate (LIBOR)) or the Euro-zone inter-bank market (if the Reference Rate is the Euro-zone inter-bank offered rate (EURIBOR)) or the Stockholm inter-bank market (if the Reference Rate is the Stockholm inter-bank offered rate (STIBOR)) or the Norwegian inter-bank market (if the Reference Rate is the Norwegian inter-bank offered rate (NIBOR)) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for

deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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

In this Condition 5(c)(ii)(B):

- (3) **Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms; and
  - (4) **Specified Time** means 11.00 a.m. (London time, in the case of a determination of LIBOR, Brussels time, in the case of a determination of EURIBOR or Stockholm time, in the case of a determination of STIBOR) or 12.00 noon (Oslo time, in the case of a determination of NIBOR).
- (C) Screen Rate Determination for Floating Rate Notes which reference SONIA, SOFR or €STR
- (1) If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SONIA, SOFR or €STR:
    - (a) where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being **Compounded Daily**, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 5(d) (Benchmark Replacement) and Condition 5(c)(iii) (Minimum Rate of Interest and/or Maximum Rate of Interest)) be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
    - (b) where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being **Weighted Average**, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 5(d) (Benchmark Replacement) and Condition 5(c)(iii) (Minimum Rate of Interest and/or Maximum Rate of Interest)) be the Weighted Average Reference Rate plus or minus (as indicated in the

applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

- (2) Where **SONIA** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 5(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:
- (a)
    - (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus
    - (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
  - (b) if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraph above, and without prejudice to Condition 5(d) (Benchmark Replacement), in the event of the Bank of England publishing guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent reasonably practicable, follow such guidance in order to determine the SONIA rate, for purposes of the Notes, for so long as the SONIA rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Terms and Conditions of the VPS Notes or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Rate of Interest, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Terms and Conditions of the VPS Notes and the Agency Agreement. No consent of the Noteholders shall be required in connection with effecting any amendment or modification in accordance with the foregoing, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (if required).

- (3) Where **SOFR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 5(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page.
- (4) Where **€STR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 5(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published on the Relevant Screen Page.
- (5) For the purposes of this Condition 5(c)(ii)(C):

**Applicable Period** means,

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

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

**Compounded Daily Reference Rate** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

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

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

**d<sub>0</sub>** means, for the relevant Applicable Period, the number of Business Days in such Applicable Period;

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

**i** means, for the relevant Applicable Period, a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant Business Day in chronological order from and including, the first Business Day in such Applicable Period;

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

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

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

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

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

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

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

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

**r<sub>i-p</sub><sup>BD</sup>** means:

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

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

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

**TARGET Settlement Day** means any day on which TARGET2 is open for the settlement of payments in euro;

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

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

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

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

where:

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

**r<sub>i</sub>-p<sup>BD</sup>** means (unless otherwise specified in the applicable Final Terms):

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

accordance with paragraph (A) above in respect of the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date); and

- (C) where in the applicable Final Terms **Shift** is specified as the Observation Method in respect of any Business Day **i** falling in the relevant Observation Period, the Reference Rate in respect of that day **i**.

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

- (iii) Minimum Rate of Interest and/or Maximum Rate of Interest

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

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

- (iv) Determination of Rate of Interest and calculation of Interest Amounts

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

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5(c):

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(v) **Linear Interpolation**

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

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

(vi) **Notification of Rate of Interest and Interest Amounts**

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the VPS Agent, the VPS Trustee and the VPS and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the VPS Noteholders in accordance with Condition 12. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the VPS rules and regulations for the time being in effect.

(vii) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(c) by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent, or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) **Benchmark Replacement**

Notwithstanding the foregoing provisions of this Condition 5, if the Issuer (in consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred when

any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Rate or Reference Rate (as applicable), the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (in consultation with the Issuer) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) no later than five Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the VPS Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 5(d));
- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Mid-Swap Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Mid-Swap Rate or Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Mid-Swap Rate or Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Mid-Swap Rate or Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided, however, that* if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the date falling not less than five Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this sub-paragraph (iii), the Mid-Swap Rate or Reference Rate applicable to such Reset Period or Interest Period (as applicable) shall be equal to the Mid-Swap Rate or Reference Rate (as applicable) for a term equivalent to the relevant Interest Period or Reset Period published on the Relevant Screen Page as at the last preceding Reset Date or Interest Determination Date (as applicable) (though substituting, where a different First Reset Margin, Subsequent Reset Margin or Margin (as applicable) is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period, the First Margin, Subsequent Margin or Margin (as applicable) relating to the relevant Reset Period or Interest Period, in place of the margin relating to that last preceding Reset Period or Interest Period);
- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the VPS Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 5(d));
- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of

Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;

- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) may also specify changes to the definitions of Day Count Fraction, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Mid-Swap Rate or Reference Rate applicable to the VPS Notes, and the method for determining the fallback rate in relation to the VPS Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the VPS Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 5(d)); and
- (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Agent and the VPS Noteholders.

Notwithstanding any other provision of this Condition 5(d), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(d), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

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

Notwithstanding any other provision of this Condition 5(d), no Successor Rate or Alternative Benchmark Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the VPS Notes will be made pursuant to this Condition 5(d), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Senior Non-Preferred VPS Notes as MREL Eligible Liabilities or the relevant Series of Subordinated VPS Notes as Tier 2 Capital of the Issuer or the Landshypotek Consolidated Situation, as the case may be.

In the case of Senior Non-Preferred VPS Notes only, no Successor Rate or Alternative Benchmark Rate (as applicable) will be adopted, and no other amendments to the terms of such VPS Notes will be made to this Condition 5(d), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Competent Authority under the Applicable MREL Regulations treating a future Interest Payment Date as the effective maturity of the VPS Notes, rather than the relevant Maturity Date.

In these VPS Conditions:

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

- (i) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Mid-Swap Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or

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

**Benchmark Event** means:

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

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

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

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

- (e) *Accrual of interest*

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

- (1) the date on which all amounts due in respect of such VPS Note have been paid; and

- (2) five days after the date on which the full amount of the moneys payable in respect of such VPS Note has been received by the Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 12.
- (f) The Issuer shall procure that there shall at all times be one or more Calculation Agent if provision is made for them in respect of the VPS Notes and for so long as any VPS Note is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the VPS Notes, references in these VPS Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these VPS Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or a Reset Period, as applicable, or to calculate any Interest Amount, Final Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

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

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

## 6. Payments

- (a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

Notwithstanding any other provision of these VPS Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the VPS Notes for, or on account of, any withholding or

deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) *Payment of Principal and Interest*

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

Notice of any such change or of any change of any specified office shall promptly be given to the VPS Noteholders in accordance with Condition 12.

(c) *Payment Day*

If the date for payment of any amount in respect of any VPS Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) *Interpretation of principal and interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the VPS Notes;
- (iii) the Early Redemption Amount of the VPS Notes;
- (iv) the Tax Event Early Redemption Amount of the VPS Notes;
- (v) the Optional Redemption Amount(s) (if any) of the VPS Notes;
- (vi) the MREL Disqualification Event Redemption Amount of the VPS Notes;
- (vii) the Capital Event Redemption Amount of the VPS Notes;
- (viii) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and

- (ix) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS Notes.

Any reference in these VPS Conditions to interest in respect of the VPS Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

## 7. Redemption and Purchase

### (a) *Redemption at maturity*

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

### (b) *Redemption for tax reasons*

- (i) This Condition 7(b)(i) is applicable in relation to VPS Notes specified in the applicable Final Terms as being Senior Preferred VPS Notes and references to **VPS Notes** in this Condition 7(b)(i) shall be construed accordingly.

The VPS Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if such VPS Note is not a Floating Rate Note) or on any Interest Payment Date (if such VPS Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the VPS Agent and, in accordance with Condition 14, the VPS Noteholders (which notice shall be irrevocable), if, as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the VPS Notes, on the occasion of the next payment due under the VPS Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the VPS Notes then due.

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

VPS Notes redeemed pursuant to this Condition 7(b)(i) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together with interest accrued to (but excluding) the date of redemption.

- (ii) This Condition 7(b)(ii) is applicable in relation to VPS Notes specified in the applicable Final Terms as Senior Non-Preferred VPS Notes or Subordinated VPS Notes and references to **VPS Notes** in this Condition 7(b)(ii) shall be construed accordingly.

If Tax Event Redemption is specified as being applicable in the applicable Final Terms, the Notes may, subject as provided in Condition 7(k), be redeemed at the option of the Issuer in whole, but not in part, at any time (if such VPS Note is not a Floating Rate Note) or on any Interest Payment Date (if such VPS Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the VPS Agent and, in accordance with Condition 12, the VPS Noteholders (which notice shall be irrevocable), if a Tax Event occurs.

**Tax Event** means, as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which

agreement is reached to issue the first Tranche of the VPS Notes, on the occasion of the next payment due under the VPS Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, *provided that* the Issuer satisfies the Competent Authority that such change in tax treatment of the VPS Notes is material and was not reasonably foreseeable as at the Issue Date of the first Tranche of the VPS Notes and *provided further that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the VPS Notes then due.

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

VPS Notes redeemed pursuant to this Condition 7(b)(ii) will be redeemed at their Tax Event Early Redemption Amount(s) specified in the applicable Final Terms, together with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject (in the case of Senior Non-Preferred VPS Notes or Subordinated VPS Notes) as provided in Condition 7(k), having given:

- (i) not less than 15 nor more than 30 days' notice to the VPS Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the VPS Agent;

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

(d) *Redemption at the option of the VPS Noteholders (Investor Put)*

This Condition 7(d) is applicable in relation to VPS Notes specified in the applicable Final Terms as Senior Preferred VPS Notes and references to **VPS Notes** in this Condition 7(d) shall be construed accordingly.

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

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

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

pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

(e) *Early Redemption Amounts*

For the purpose of paragraph 7(b)(i) above and Condition 10:

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

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

**RP** means the Reference Price;

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

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

(f) *Purchases*

The Issuer or any Subsidiary of the Issuer may, subject (in the case of Senior Non-Preferred VPS Notes or Subordinated VPS Notes) as provided in Condition 7(k), at any time purchase VPS Notes at any price in the open market or otherwise.

(g) *Cancellation*

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

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

(h) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the VPS Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 12.

(i) *Redemption at the option of the Issuer in case of an MREL Disqualification Event*

This Condition 7(i) applies only in the case of VPS Notes specified in the applicable Final Terms as being Senior Non-Preferred VPS Notes in respect of which MREL Disqualification Event Redemption applies.

If a MREL Disqualification Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant MREL Disqualification Event, at its option, but subject as provided in Condition 7(k), give notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption) that all (but not some only) of the outstanding VPS Notes comprising the relevant Series shall be redeemed:

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

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

In these VPS Conditions:

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

(j) *Redemption at the option of the Issuer in case of a Capital Event*

This Condition 7(j) applies only in the case of VPS Notes specified in the applicable Final Terms as being Subordinated Notes in respect of which Capital Event Redemption applies.

If a Capital Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant Capital Event, at its option, but subject as provided in Condition 7(j), give notice to the VPS Noteholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption) that all (but not some only) of the outstanding VPS Notes comprising the relevant Series shall be redeemed:

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

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

In these VPS Conditions:

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

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

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

- (k) *Redemption and Purchase of Senior Non-Preferred VPS Notes and Subordinated VPS Notes only with Prior Approval*

In the case of VPS Notes specified in the applicable Final Terms as being Senior Non-Preferred or Subordinated, no early redemption or purchase as contemplated by this Condition 7 of such VPS Notes may be made without the prior consent of the Competent Authority (if such permission is then required (in the case of Senior Non-Preferred VPS Notes) by the Applicable MREL Regulations or (in the case of Subordinated VPS Notes) by the Capital Regulations).

- (l) *Variation or Substitution instead of Redemption*

This Condition 7(l) is applicable in relation to VPS Notes specified in the applicable Final Terms as Senior Non-Preferred VPS Notes or Subordinated VPS Notes and where this Condition 7(l) is specified as being applicable in the applicable Final Terms and references to **VPS Notes** in this Condition 7(l) shall be construed accordingly.

If at any time a Capital Event occurs (if Capital Event Redemption is specified as being applicable in the applicable Final Terms in relation to the Subordinated VPS Notes) or an MREL Disqualification Event occurs (if MREL Disqualification Event Redemption is specified as being applicable in the applicable Final Terms in relation to the Senior Non-Preferred VPS Notes) or a Tax Event occurs (if Tax Event Redemption is specified as being applicable in the applicable Final Terms), then the Issuer may, subject to the approval of the Competent Authority, without any requirement for the consent or approval of the VPS Noteholders and having given not less than 30 nor more than 60 days' notice to the VPS Noteholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption), at any time either substitute all (but not some only) of the VPS Notes for, or vary the terms of the VPS Notes so that they remain or, as appropriate, become, Qualifying Securities (as defined below), *provided that* such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities that are inconsistent with the redemption provisions of the VPS Notes.

In these VPS Conditions:

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

**Senior Non-Preferred Qualifying Securities** means, for the purpose of this Condition 7(l), securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (i) have terms not materially less favourable to a VPS Noteholder than the terms of the Senior Non-Preferred VPS Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (ii) include a ranking at least equal to that of the Senior Non-Preferred VPS Notes;
- (iii) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred VPS Notes;
- (iv) have the same redemption rights as the Senior Non-Preferred VPS Notes (although they need not contain all of the rights of the Issuer under Condition 7);

- (v) comply with the then current requirements of the Applicable MREL Regulations in relation to MREL Eligible Liabilities;
- (vi) preserve any existing rights under the Senior Non-Preferred VPS Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date);
- (vii) are assigned (or maintain) the same or higher credit ratings as were assigned to the Senior Non-Preferred VPS Notes immediately prior to such substitution or variation; and
- (viii) are listed on a recognised stock exchange if the Senior Non-Preferred VPS Notes were listed immediately prior to such substitution or variation;

**Subordinated Qualifying Securities** means, for the purpose of this Condition 7(1), securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (i) have terms not materially less favourable to a holder of the Subordinated VPS Notes than the terms of the VPS Notes, as certified by the Issuer acting reasonably following consultation with an independent investment bank or financial adviser of international standing;
- (ii) include a ranking at least equal to that of the Subordinated VPS Notes;
- (iii) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated VPS Notes;
- (iv) have the same redemption rights as the VPS Notes (although they need not contain all of the rights of the Issuer under Condition 7);
- (v) comply with the then current requirements of the Capital Regulations in relation to Tier 2 capital;
- (vi) preserve any existing rights under the Subordinated VPS Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before the first Interest Payment Date, the Interest Commencement Date);
- (vii) are assigned (or maintain) the same or higher credit ratings as were assigned to the Subordinated VPS Notes immediately prior to such substitution or variation; and
- (viii) are listed on a recognised stock exchange if the Subordinated VPS Notes were listed immediately prior to such substitution or variation; and

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

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

## 8. Taxation

All payments of principal and interest in respect of the VPS Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, save as provided in paragraph (ii) below (to the extent applicable), the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the VPS Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the VPS Notes as the case may be, in the absence of such withholding or deduction; except that: (i) no such additional amounts shall be payable with respect to any VPS

Note the holder of which is liable for such taxes or duties in respect of such VPS Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such VPS Note and (ii) if (A) the VPS Notes are Senior Non-Preferred VPS Notes or Subordinated VPS Notes and (B) "Additional Amounts - Interest Only" is specified to be applicable in the Final Terms, no such additional amounts shall be payable with respect to any such withholding or deduction imposed or levied on payments of principal in respect of such VPS Note.

As used herein:

**Tax Jurisdiction** means the Kingdom of Sweden (**Sweden**) or any political subdivision or any authority thereof or therein having power to tax.

## 9. Prescription

The VPS Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

As used herein, **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the VPS Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the VPS Noteholders in accordance with Condition 12.

## 10. Events of Default

### (a) *Events of Default – Senior Preferred VPS Notes only*

This Condition 10(a) applies only in the case of VPS Notes specified in the applicable Final Terms as being Senior Preferred VPS Notes (and references to **VPS Notes** in this Condition 10(a) shall be construed accordingly).

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

#### (i) *Failure to pay*

The Issuer fails to pay any amount of principal or interest in respect of the VPS Notes in the Specified Currency on the due date for payment thereof and, if such failure is due to a technical or administrative reason, such failure is not remedied within five Stockholm Business Days; or

#### (ii) *Other Obligations*

The Issuer fails duly to perform or comply with any other obligation under or in respect of the VPS Notes and such failure, if capable of remedy, is not remedied within 20 Business Days after written notice thereof, addressed to the Issuer by any VPS Noteholder has been delivered to the Issuer or to the VPS Agent; or

#### (iii) *Cross Default*

Any indebtedness for borrowed money of the Issuer or any of its Subsidiaries becomes, or is declared, due and payable prior to the scheduled maturity as a result of a default thereunder or any such indebtedness for borrowed money or interest thereon is not paid when due or within any applicable grace period therefor or any guarantee or indemnity given by the Issuer or any of its Subsidiaries in respect of any borrowed money is not honoured when due and called upon or within any applicable grace period therefor *provided that* any such event shall not constitute an Event of Default unless the indebtedness for borrowed money or the liability of the Issuer or any of its Subsidiaries under the guarantee or indemnity concerned exceeds U.S.\$10,000,000 (or its equivalent in other currencies); or

(iv) *Insolvency and Rescheduling*

The Issuer or any of its Subsidiaries is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors; or

(v) *Winding-up*

Save in connection with a Permitted Merger, the Issuer or any of its Subsidiaries takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues and assets; or

(vi) *Execution or Distress*

Any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertaking or assets of the Issuer or any of its Subsidiaries; or

(vii) *Analogous Events*

Any event occurs which under the laws of any jurisdiction has a similar or analogous effect to any of these events mentioned in paragraphs (iv) (*Insolvency and Rescheduling*); (v) (*Winding-up*) or (vi) (*Execution or Distress*); or

(viii) *Repudiation*

The Issuer repudiates its obligations in respect of the VPS Notes or does or causes to be done any act or thing evidencing an intention to repudiate such obligations; or

(ix) *Validity and Admissibility*

At any time any act, condition or thing required to be done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the VPS Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the VPS Notes admissible in evidence in Sweden is not done, fulfilled or performed; or

(x) *Illegality*

At any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the VPS Notes or any of the obligations of the Issuer thereunder are not or cease to be legal, valid and binding,

then any VPS Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or the VPS Agent, effective upon the date of receipt thereof by the Issuer or the VPS Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of these VPS Conditions:

**Group** means the Issuer and its Subsidiaries for the time being;

**Net Worth** means the aggregate, immediately prior to a Permitted Merger, of the amounts paid up or credited as paid up on the issued share capital of the Group (other than any redeemable shares) and the aggregate amount of the reserves of the Group including:

- (a) any amount credited to share premium account;
- (b) any capital redemption reserve fund; and

- (c) any balance standing to the credit of the profit and loss account of the Group, but deducting:
  - (i) any debit balance on the consolidated profit and loss account of the Group;
  - (ii) any dividend or distribution declared, recommended or made by any member of the Group to the extent payable to a person who is not a member of the Group and such distribution is not provided for in the most recent financial statements,

and so that no amount shall be included or excluded more than once;

**Permitted Merger** means:

- (a) a reconstruction or amalgamation while solvent of any member or members of the Group other than the Issuer;
- (b) a voluntary solvent winding-up or dissolution either in connection with, or following and as a result of, the transfer of the business, undertaking and assets of any member of the Group other than the Issuer to another member or members of the Group, in each case, where Net Worth is not reduced; or
- (c) a voluntary merger of the Issuer with the Landshypotek Ekonomisk Förening or another company provided such company is a financial institution as set out in the Act on Banking and Financing Activities (2004:297) as amended or replaced;

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

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

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

(b) *Events of Default – Senior Non-Preferred VPS Notes and Subordinated VPS Notes*

- (i) This Condition 10(b) applies only in the case of VPS Notes specified in the applicable Final Terms as being Senior Non-Preferred VPS Notes or Subordinated VPS Notes (and references to VPS Notes in this Condition 10(b) shall be construed accordingly).
- (ii) If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:
  - (A) the Issuer shall default in the payment of principal in respect of any VPS Note due and payable in accordance with these VPS Conditions or the Issuer shall default in the payment of interest due on any VPS Notes on an Interest Payment Date or any other date on which the payment of interest is compulsory and any such default continues for five Stockholm Business Days;
  - (B) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Issuer under the Notes) or the Issuer is otherwise declared bankrupt (*konkurs*) or put into liquidation (*likvidation*), in each case by a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same,

the holder of any VPS Note may:

- (1) (in the case of (A) above) institute proceedings for the Issuer to be declared bankrupt or its winding-up or liquidation, in each case in the Kingdom of Sweden and not elsewhere, and prove or claim in the bankruptcy or liquidation of the Issuer; and/or

- (2) (in the case of (B) above), prove or claim in the bankruptcy or liquidation of the Issuer, whether in the Kingdom of Sweden or elsewhere and instituted by the Issuer itself or by a third party,

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

- (iii) In any of the events or circumstances described in (i)(B) above, the holder of any VPS Note may, by written notice addressed by the holder thereof to the Issuer, and delivered to the Issuer or the VPS Agent, effective upon the date of receipt thereof by the Issuer or the VPS Agent, declare such VPS Note to be due and payable, whereupon it shall become due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any), but subject to such holder only being able to claim payment in respect of the Notes in the bankruptcy or liquidation of the Issuer.
- (iv) The holder of a VPS Note may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the VPS Notes (other than, without prejudice to Condition 10(b)(i) 10(b)(ii) above, any obligation for the payment of any principal or interest in respect of the VPS Notes) *provided that* the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (v) No remedy against the Issuer, other than as provided in Condition 10(b)(i), 10(b)(ii) and 10(b)(iv) above, shall be available to the holders of VPS Notes, whether for the recovery of amounts owing in respect of the VPS Notes or in respect of any breach by the Issuer of any of its obligations or undertakings under the VPS Notes.

## 11. Transfer and Exchange of VPS Notes

### (i) *Transfers of Interests in VPS Notes*

Settlement of sale and purchase transactions in respect of VPS Notes will take place two Oslo Business Days after the date of the relevant transaction. VPS Notes may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of VPS Notes which is held in the VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS. For the purpose of this Condition, **Oslo Business Day** means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in Oslo.

### (ii) *Registration of transfer upon partial redemption*

In the event of a partial redemption of VPS Notes under Condition 7, the Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

### (iii) *Costs of registration and administration of the VPS Register*

VPS Noteholders will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to the VPS Register, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## 12. Notices

Notices to the VPS Noteholders shall be valid if the relevant notice is given to the VPS for communication by it to the VPS Noteholders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the date of delivery by the VPS.

### **13. Meetings of VPS Noteholders, Modification and Waiver**

The VPS Trustee Agreement contains provisions for convening meetings of the VPS Noteholders to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, Oslo Børs or by VPS Noteholders holding not less than 10 per cent of the Voting VPS Notes. (For the purpose of this Condition, **Voting VPS Notes** means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise deregistered in the VPS, less the VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.)

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing holders of Voting VPS Notes whatever the nominal amount of the VPS Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Notes, the VPS Trustee Agreement (including modifying the date of maturity of the VPS Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than two thirds in aggregate nominal amount of the Voting VPS Notes, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Voting VPS Notes. A resolution passed at any meeting of the VPS Noteholders shall be binding on all the VPS Noteholders, whether or not they are present at such meeting.

The VPS Trustee Agreement provides that:

- (a) the VPS Trustee may in certain circumstances, without the consent of the VPS Noteholders, make decisions binding on all VPS Noteholders relating to these VPS Conditions, the VPS Trustee Agreement or the VPS Agency Agreement or that is not, in the VPS Trustee's opinion, materially prejudicial to the interests of the VPS Noteholders; and
- (b) the VPS Trustee may reach decisions binding for all VPS Noteholders.

Any modification to these Conditions in relation to any Series of VPS Notes that are Senior Non-Preferred VPS Notes or Subordinated VPS Notes is subject to the prior permission of the Competent Authority (if such permission is required (in the case of Senior Non-Preferred VPS Notes) by the Applicable MREL Regulations or (in the case of Subordinated VPS Notes) the Capital Regulations, as the case may be).

### **14. VPS Trustee**

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility. VPS Noteholders are deemed to have accepted and will be bound by these VPS Conditions and the terms of the VPS Trustee Agreement.

### **15. Further Issues**

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

### **16. Third Party Rights**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this VPS Note, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

### **17. Governing Law and Submission to Jurisdiction**

- (a) *Governing law*

The VPS Notes and any non-contractual obligations arising out of or in connection with the VPS Notes

are governed by, and shall be construed in accordance with, English law, save as to Conditions 2(b) and (c) which is governed by, and shall be construed in accordance with, the laws of Sweden and Conditions 13, 14 and 16 which are governed by, and shall be construed in accordance with, Norwegian law. The VPS Trustee Agreement and VPS Agency Agreement are governed by, and shall be construed in accordance with, Norwegian law.

VPS Notes must comply with the Norwegian Securities Register Act of 5 July 2002 No. 64, as amended from time to time, and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

(b) *Submission to jurisdiction*

Subject to Condition 17(e) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the VPS Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the VPS Notes (a **Dispute**) and accordingly each of the Issuer and any VPS Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(c) For the purposes of this Condition 17, each of the Issuer and any VPS Noteholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(d) The Issuer agrees, for the exclusive benefit of the VPS Trustee and the VPS Noteholders that the courts of Norway are to have jurisdiction to settle any Disputes which may arise out of, or in connection with, the VPS Trustee Agreement and the VPS Agency Agreement.

(e) This Condition 17(e) is for the benefit of the VPS Noteholders only. To the extent allowed by law, the VPS Noteholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

(f) *Appointment of Process Agent*

The Issuer appoints Business Sweden – The Swedish Trade & Invest Council at its registered office at 5 Upper Montagu Street, London W1H 2AG as its agent for service of process, and undertakes that, in the event of Business Sweden – The Swedish Trade & Invest Council ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## 18. **Swedish Statutory Bail-in Powers**

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

For these purposes, a **Bail-in Power** means any statutory write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden, including but

not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of the BRRD, the Resolution Act (*Lag (2015:1016) om resolution*) and/or the Precautionary Support Act (*Lag (2015:1017) om förebyggande statligt stöd till kreditinstitut*) as amended or replaced from time to time and any instruments, rules and standards created thereunder, pursuant to which liabilities of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified and/or converted into shares or other securities or obligations of the Issuer or any other person. **BRRD** means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014, as amended or replaced from time to time.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Bail-in Power or the date from which the Bail-in Power shall be effective with respect to the VPS Notes, the Issuer shall notify the VPS Noteholders in accordance with Condition 12 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the VPS Notes described in this Condition.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the VPS Notes shall not constitute an Event of Default and these VPS Conditions shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the VPS Notes, subject to any modification of the amount of interest or other distributions payable to reflect the reduction of the principal amount, and any further modification of these VPS Conditions that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden.

Each VPS Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the VPS Notes.

## TERMS AND CONDITIONS OF THE S.O. BONDS

*The following are the Terms and Conditions of the S.O. Bonds which will be incorporated by reference into each Global S.O. Bond (as defined below) and each Definitive S.O. Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive S.O. Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt S.O. Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such S.O. Bonds. The applicable Final Terms or Pricing Supplement (or in each case the relevant provisions thereof) will be endorsed upon, or attached to, each Global S.O. Bond and Definitive S.O. Bond.*

The S.O. Bonds are issued in accordance with the Swedish Act (2003:1223) on issuance of Covered Bonds (*Lag (2003:1223) om utgivning av säkerställda obligationer*) (the **Swedish Act on Issuance of Covered Bonds**).

This S.O. Bond is one of a Series (as defined below) of S.O. Bonds issued by Landshypotek Bank AB (publ) (the **Issuer**) pursuant to the Agency Agreement (as defined below).

S.O. Bonds may be in bearer form (the **Bearer S.O. Bonds**) or in registered, uncertificated and dematerialised book-entry form.

References herein to the **S.O. Bonds** shall be references to the S.O. Bonds of this Series and shall mean:

- (i) in relation to any S.O. Bonds represented by a global S.O. Bond (a **Global S.O. Bond**), units of each Specified Denomination in the Specified Currency;
- (ii) any Global S.O. Bond;
- (iii) any S.O. Bonds in definitive form (**Definitive S.O. Bonds**) issued in exchange for a Global S.O. Bond; and
- (iv) any registered, uncertificated and dematerialised S.O. Bonds in book-entry form registered in the Swedish Central Securities Depository and Clearing Organisation Euroclear Sweden AB, incorporated in Sweden with registered number 556112-8074 (**Swedish S.O. Bonds** and **Euroclear Sweden**).

The S.O. Bonds (other than the Swedish S.O. Bonds, save to the extent provided herein) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 4 May 2020 and made between the Issuer, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

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

Interest bearing Definitive S.O. Bonds have interest coupons (**Coupons**) and in the case of S.O. Bonds which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global S.O. Bonds do not have Coupons or Talons attached on issue.

The final terms for this S.O. Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this S.O. Bond which complete these Terms and Conditions or, if this S.O. Bond is neither admitted to trading on a regulated market in the European Economic Area or the United Kingdom nor

offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation (an **Exempt S.O. Bond**), the final terms (or the relevant provisions thereof) are set out in Part A of a pricing supplement relating to this S.O. Bond (the **Pricing Supplement**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this S.O. Bond. References to the **applicable Final Terms** are, except in the case of a Swedish S.O. Bond to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this S.O. Bond. In the case of a Swedish S.O. Bond, reference herein to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) prepared by the Issuer in relation to the Swedish S.O. Bonds. If this S.O. Bond is an Exempt S.O. Bond, any reference in these Terms and Conditions to "Final Terms" shall be deemed to include a reference to the applicable Pricing Supplement where relevant. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended or superseded).

Any reference to **S.O. Bondholders** or **holders** in relation to any S.O. Bonds shall mean the holders of the S.O. Bonds and shall, in relation to any S.O. Bonds represented by a Global S.O. Bond and any Swedish S.O. Bond, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

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

The S.O. Bondholders (other than the holders of Swedish S.O. Bonds) and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 4 May 2020 and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the S.O. Bonds are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If this S.O. Bond is an Exempt S.O. Bond, the applicable Pricing Supplement will only be obtainable by an S.O. Bondholder holding one or more S.O. Bonds and such S.O. Bondholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such S.O. Bonds and identity. The S.O. Bondholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

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

## **1. Form, Denomination and Title**

The S.O. Bonds are in bearer form or, in the case of Swedish S.O. Bonds, in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) as amended (the **SFIA Act**) and, in the case of Definitive S.O. Bonds, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. S.O. Bonds of one Specified Denomination may not be exchanged for S.O. Bonds of another Specified Denomination. S.O. Bonds (other than Swedish S.O. Bonds) may not be exchanged for Swedish S.O. Bonds and vice versa.

This S.O. Bond may be a Fixed Rate S.O. Bond, a Floating Rate S.O. Bond, a Zero Coupon S.O. Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive S.O. Bonds are issued with Coupons attached, unless they are Zero Coupon S.O. Bonds in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer S.O. Bonds and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer S.O. Bond or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global S.O. Bond, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the S.O. Bonds is represented by a Global S.O. Bond held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such S.O. Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such S.O. Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such S.O. Bonds for all purposes other than with respect to the payment of principal or interest on such nominal amount of such S.O. Bonds, for which purpose the bearer of the relevant Global S.O. Bond shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such S.O. Bonds in accordance with and subject to the terms of the relevant Global S.O. Bond and the expressions **S.O. Bondholder** and **holder of S.O. Bonds** and related expressions shall be construed accordingly.

S.O. Bonds which are represented by a Global S.O. Bond will be transferable only in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Title to the Swedish S.O. Bonds shall pass by registration in the book-entry system and register maintained by Euroclear Sweden (the **Euroclear Sweden Register**). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Swedish S.O. Bond shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the holder. In these Conditions in relation to Swedish S.O. Bonds only, **S.O. Bondholder** or **holder of Swedish S.O. Bonds** means, as the context requires, the person in whose name a Swedish S.O. Bond is registered in the Euroclear Sweden Register and shall also include any person duly authorised to act as a nominee (*förvaltare*) and registered as a holder of the Swedish S.O. Bonds. Where a nominee (*förvaltare*) in accordance with the SFIA Act is so evidenced, it shall be treated by the Issuer and the Swedish Issuing Agent as the holder of the relevant Swedish S.O. Bonds.

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

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

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

No physical Swedish S.O. Bonds or certificates will be issued in respect of the Swedish S.O. Bonds and the provisions in these Conditions relating to presentation, surrender or replacement of such physical Swedish S.O. Bonds or certificates shall not apply to the Swedish S.O. Bonds.

## **2. Status of the S.O. Bonds**

The S.O. Bonds constitute unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The S.O. Bonds are obligations issued in accordance with the Swedish Act on Issuance of Covered Bonds and rank *pari passu* with all other obligations of the Issuer that have been provided the same

priority as debt instruments issued in accordance with the terms of the Swedish Act on Issuance of Covered Bonds.

**3. This Condition 4 has been left blank intentionally**

**4. Interest**

(a) *Interest on Fixed Rate S.O. Bonds*

Each Fixed Rate S.O. Bond bears interest from (and including) the Interest Commencement Date (or, in the case of each Fixed Rate S.O. Bond which is a Swedish S.O. Bond, from (but excluding) the Interest Commencement Date) to (but excluding) the Maturity Date or, if the applicable Final Terms specifies that an Extended Final Maturity Date applies, the Extended Final Maturity Date or any earlier Interest Payment Date on which the S.O. Bonds are redeemed in full (or, in the case of each Fixed Rate S.O. Bond which is a Swedish S.O. Bond, to (and including) the Maturity Date or, if the applicable Final Terms specifies that an Extended Final Maturity Date applies, the Extended Final Maturity Date or any earlier Interest Payment Date on which the S.O. Bonds are redeemed in full), *provided that* any amounts representing interest payable after the Maturity Date shall be paid at such rate and on such dates as specified in the Final Terms.

If the S.O. Bonds are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of S.O. Bonds in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate S.O. Bonds which are represented by a Global S.O. Bond, the aggregate outstanding nominal amount of the Fixed Rate S.O. Bonds represented by such Global S.O. Bond;
- (B) in the case of Fixed Rate S.O. Bonds in definitive form, the Calculation Amount; and
- (C) in the case of Fixed Rate S.O. Bonds which are Swedish S.O. Bonds, the aggregate outstanding nominal amount of the Fixed Rate S.O. Bond;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate S.O. Bond in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate S.O. Bond shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
  - (a) in the case of S.O. Bonds where the number of days in the relevant period from (and including) (or, in the case of Swedish S.O. Bonds, from (but excluding)) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) (or, in the case of Swedish S.O. Bonds, to (and including)) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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

In these Terms and Conditions:

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

**Determination Period** means the period from (and including) a Determination Date (or, in the case of Swedish S.O. Bonds, from (but excluding) a Determination Date) to (but excluding) the next Determination Date (or, in the case of Swedish S.O. Bonds, to (and including) the next Determination Date);

**Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) (or, in the case of Swedish S.O. Bonds, from (but excluding) an Interest Payment Date (or the Interest Commencement Date)) to (but excluding) the next (or first) Interest Payment Date (or, in the case of Swedish S.O. Bonds, to (and including) the next (or first) Interest Payment Date);

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

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

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

(b) *Interest on Floating Rate S.O. Bonds*

- (i) Interest Payment Dates Each Floating Rate S.O. Bond bears interest from (and including) the Interest Commencement Date (or, in the case of each Floating Rate S.O. Bond which is a Swedish S.O. Bond, from (but excluding) the Interest Commencement Date) and such interest will be payable in arrear on either:
  - (A) the Specified Interest Payment Date(s) (each an **Interest Payment Date**) in each year specified in the applicable Final Terms; or
  - (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date) *provided that* in the case of each Floating Rate S.O. Bond which is a Swedish S.O. Bond, such

expression shall, in these Terms and Conditions, mean the period from (but excluding) an Interest Payment Date (or, as the case may be, the Interest Commencement Date) to (and including) the next (or first) Interest Payment Date).

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

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate S.O. Bonds

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the S.O. Bonds (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

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

- (B) Screen Rate Determination for Floating Rate S.O. Bonds (other than Floating Rate S.O. Bonds which reference SONIA, SOFR or €STR)

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

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

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

- (C) Screen Rate Determination for Floating Rate S.O. Bonds which reference SONIA, SOFR or €STR

- (1) If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SONIA, SOFR or €STR:
  - (a) where the Calculation Method in respect of the relevant Series of S.O. Bonds is specified in the applicable Final Terms as being **Compounded Daily**, the Rate of Interest applicable to the S.O. Bonds for each Interest Period will (subject to Condition 5(d) (Benchmark Replacement) and Condition 5(c)(iii) (Minimum Rate of Interest and/or Maximum Rate of Interest)) be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date and the resulting

percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

- (b) where the Calculation Method in respect of the relevant Series of S.O. Bonds is specified in the applicable Final Terms as being **Weighted Average**, the Rate of Interest applicable to the S.O. Bonds for each Interest Period will (subject to Condition 5(d) (Benchmark Replacement) and Condition 5(c)(iii) (Minimum Rate of Interest and/or Maximum Rate of Interest)) be the Weighted Average Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
- (2) Where **SONIA** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 5(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:
- (a) (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
  - (b) if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraph above, and without prejudice to Condition 5(d) (Benchmark Replacement), in the event of the Bank of England publishing guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent reasonably practicable, follow such guidance in order to determine the SONIA rate, for purposes of the S.O. Bonds, for so long as the SONIA rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Terms and Conditions of the S.O. Bonds or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Rate of Interest, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Terms and Conditions of the S.O. Bonds and the Agency Agreement. No consent of the Bondholders shall be required in connection with effecting any amendment or modification in accordance with the foregoing, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (if required).

- (3) Where **SOFR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 5(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page.

- (4) Where **€STR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 5(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published on the Relevant Screen Page.
- (5) For the purposes of this Condition 5(c)(ii)(C):

**Applicable Period** means,

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

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

**Compounded Daily Reference Rate** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

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

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

**d<sub>0</sub>** means, for the relevant Applicable Period, the number of Business Days in such Applicable Period;

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

**i** means, for the relevant Applicable Period, a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant Business Day in chronological order from and including, the first Business Day in such Applicable Period;

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

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

$n_i$ , for any Business Day  $i$  in the Applicable Period, means the number of calendar days from, and including, such Business Day  $i$  up to but excluding the following Business Day;

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

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

$p$  means, for any Interest Period:

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

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

$r_i - p^{BD}$  means:

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

specified, five Business Days prior to each Interest Payment Date) until the end of each relevant Interest Period, the Reference Rate determined in accordance with paragraph (A) above in respect of the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date); and

- (C) where in the applicable Final Terms **Shift** is specified as the Observation Method in respect of any Business Day **i** falling in the relevant Observation Period, the Reference Rate in respect of that day **i**;

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

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

**TARGET Settlement Day** means any day on which TARGET2 is open for the settlement of payments in euro;

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

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

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

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

where:

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

**r<sub>i</sub>-p<sup>BD</sup>** means (unless otherwise specified in the applicable Final Terms):

- (A) where in the applicable Final Terms **Lag** is specified as the Observation Method, in respect of any Business Day **i** falling in the relevant Interest Period, the Reference Rate for the Business Day falling **p** Business Days prior to such day **i**;

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

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

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

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

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

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

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

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate S.O. Bonds for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate S.O. Bonds which are represented by a Global S.O. Bond, the aggregate outstanding nominal amount of the S.O. Bonds represented by such Global S.O. Bond;
- (B) in the case of Floating Rate S.O. Bonds in definitive form, the Calculation Amount; or
- (C) in the case of Floating Rate S.O. Bonds which are Swedish S.O. Bonds, the aggregate outstanding nominal amount of the S.O. Bonds;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate S.O. Bond in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such S.O. Bond shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30;

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30.

- (v) Linear Interpolation

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

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

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

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Swedish Issuing Agent (in the case of Swedish S.O. Bonds) and any stock exchange on which the Floating Rate S.O. Bonds are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment)

without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the Floating Rate S.O. Bonds are for the time being listed and to the S.O. Bondholders in accordance with Condition 12. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vii) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents, the Swedish Issuing Agent and all S.O. Bondholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the S.O. Bondholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest Rate and Payments from the Maturity Date if Extended Final Maturity applies*

- (i) If Extended Final Maturity is specified as being applicable in the applicable Final Terms and the Issuer has failed to pay (in full) the Final Redemption Amount on the Maturity Date specified in the applicable Final Terms, each S.O. Bond shall bear interest in accordance with this Condition 4(c) on its outstanding nominal amount from (and including) the Maturity Date (or, in the case of Swedish S.O. Bonds, from (but excluding) the Maturity Date) to (but excluding) the earlier of the Interest Payment Date upon which the S.O. Bonds are redeemed in full and the Extended Final Maturity Date (or, in the case of Swedish S.O. Bonds, to (and including) the earlier of the Interest Payment Date upon which the S.O. Bonds are redeemed in full and the Extended Final Maturity Date), subject to Condition 4(d). In such circumstances, the Rate of Interest for each Interest Period falling after the Maturity Date, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Agent in accordance with Condition 4(b), *mutatis mutandis*, and the applicable Final Terms.
- (ii) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c), whether by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all S.O. Bondholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the S.O. Bondholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- (iii) This Condition 4(c) shall only apply to a Series of S.O. Bonds if the Issuer fails to redeem such Series of S.O. Bonds (in full) at their Final Redemption Amount (as specified in the applicable Final Terms) on the Maturity Date and the maturity of such S.O. Bonds is automatically extended to the Extended Final Maturity Date in accordance with Condition 6(a).

(d) *Benchmark Replacement*

Notwithstanding the foregoing provisions of this Condition 4, if the Issuer (in consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (in consultation with the Issuer) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of

Interest applicable to the S.O. Bonds for all future Interest Periods (subject to the subsequent provisions of this Condition 4(d));

- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided, however, that* if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the date falling not less than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent to the relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the margin relating to that last preceding Interest Period);
- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the S.O. Bonds for all future Interest Periods (subject to the subsequent provisions of this Condition 4(d));
- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) may also specify changes to the definitions of Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the S.O. Bonds, and the method for determining the fallback rate in relation to the S.O. Bonds, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the S.O. Bonds for all future Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 4(d));
- (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Agent, the Swedish Issuing Agent and the S.O. Bondholders;

Notwithstanding any other provision of this Condition 4(d), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4(d), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

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

In these Terms and Conditions:

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

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

**Benchmark Event** means:

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

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

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the

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

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

(e) *Accrual of interest*

Each S.O. Bond (or in the case of the redemption of part only of an S.O. Bond, that part only of such S.O. Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such S.O. Bond have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such S.O. Bond has been received by the Agent and notice to that effect has been given to the S.O. Bondholders in accordance with Condition 12.

**5. Payments**

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

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

(b) *Presentation of Definitive S.O. Bonds and Coupons*

Payments of principal in respect of Definitive S.O. Bonds will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive S.O. Bonds, and payments of interest in respect of Definitive S.O. Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons,

in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate S.O. Bonds in definitive form (other than Long Maturity S.O. Bonds (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined below) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate S.O. Bond in definitive form becoming due and repayable prior to its Maturity Date or, as the case may be, the Extended Final Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate S.O. Bond or Long Maturity S.O. Bond in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. **A Long Maturity S.O. Bond** is a Fixed Rate S.O. Bond (other than a Fixed Rate S.O. Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon *provided that* such S.O. Bond shall cease to be a Long Maturity S.O. Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such S.O. Bond.

If the due date for redemption of any Definitive S.O. Bond is not an Interest Payment Date, interest (if any) accrued in respect of such S.O. Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive S.O. Bond.

As used herein, the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the S.O. Bondholders in accordance with Condition 12.

(c) *Payments in respect of Global S.O. Bonds*

Payments of principal and interest (if any) in respect of S.O. Bonds represented by any Global S.O. Bond will (subject as provided below) be made in the manner specified above in relation to Definitive S.O. Bonds and otherwise in the manner specified in the relevant Global S.O. Bond, where applicable, against presentation or surrender, as the case may be, of such Global S.O. Bond at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global S.O. Bond either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) *General provisions applicable to payments*

The holder of a Global S.O. Bond shall be the only person entitled to receive payments in respect of S.O. Bonds represented by such Global S.O. Bond and the Issuer will be discharged by payment to, or to the order of, the holder of such Global S.O. Bond in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of S.O. Bonds represented by such Global S.O. Bond must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global S.O. Bond.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer S.O. Bonds is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such S.O. Bonds will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer S.O. Bonds in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *Payments in respect of Swedish S.O. Bonds*

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

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

(f) *Payment Day*

If the date for payment of any amount in respect of any S.O. Bond or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of S.O. Bonds in definitive form only, the relevant place of presentation;
  - (B) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(g) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the S.O. Bonds shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the S.O. Bonds;
- (ii) the Optional Redemption Amount(s) (if any) of the S.O. Bonds;

- (iii) in relation to Zero Coupon S.O. Bonds, the Amortised Face Amount (as defined in Condition 6(e)); and
- (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the S.O. Bonds.

## 6. Redemption and Purchase

### (a) *Redemption at maturity*

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

If Extended Final Maturity is specified as applicable in the Final Terms for a Series of S.O. Bonds and the Issuer has failed to pay the Final Redemption Amount in full on the Maturity Date specified in the Final Terms, then (subject as provided below) payment of the unpaid amount by the Issuer shall be automatically deferred until the Extended Final Maturity Date, *provided that* any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter (in the case of S.O. Bonds other than Swedish S.O. Bonds) up to (and including) the relevant Extended Final Maturity Date and (in the case of Swedish S.O. Bonds) up to (but excluding) the relevant Extended Final Maturity Date.

The Issuer shall confirm to the Agent as soon as reasonably practicable and in any event at least four business days in London prior to the Maturity Date of any inability of the Issuer to pay in full the Final Redemption Amount in respect of a Series of S.O. Bonds on that Maturity Date. Any failure by the Issuer to notify the Agent shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party and shall not constitute a default.

Where the applicable Final Terms for a relevant Series of S.O. Bonds provides that such S.O. Bonds are subject to an Extended Final Maturity Date, such failure to pay by the Issuer on the Maturity Date shall not constitute a default in payment.

For the purposes of these Terms and Conditions:

**Extended Final Maturity Date** means, in relation to any Series of S.O. Bonds, the date (if any) specified as such in the applicable Final Terms, being a date falling no later than 12 months from the Maturity Date, to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Maturity Date.

### (b) *Redemption at the option of the Issuer (Issuer Call)*

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

- (i) not less than 15 nor more than 30 days' notice to the S.O. Bondholders in accordance with Condition 12; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption and (in respect of Swedish S.O. Bonds) shall further specify the applicable closed period), redeem all or some only of the S.O. Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of S.O. Bonds, the S.O. Bonds to be redeemed (**Redeemed**

**S.O. Bonds**) will (i) in the case of Redeemed S.O. Bonds represented by Definitive S.O. Bonds, be selected individually by lot, (ii) in the case of Redeemed S.O. Bonds represented by a Global S.O. Bonds, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and (iii) in the case of Redeemed S.O. Bonds which are Swedish S.O. Bonds, in accordance with the Euroclear Sweden Rules (to be reflected in the records of Euroclear Sweden as a reduction in nominal amount), in each case not more than 30 days prior to the date fixed for redemption. In the case of Redeemed S.O. Bonds represented by Definitive S.O. Bonds, a list of the serial numbers of such Redeemed S.O. Bonds will be published in accordance with Condition 12 not less than 15 days prior to the date fixed for redemption.

(c) *Purchases*

The Issuer or any Subsidiary of the Issuer may at any time purchase S.O. Bonds (*provided that*, in the case of Definitive S.O. Bonds, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All S.O. Bonds so purchased will be surrendered to a Paying Agent for cancellation.

(d) *Cancellation*

All S.O. Bonds which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All S.O. Bonds so cancelled and the S.O. Bonds purchased and cancelled pursuant to paragraph (c) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(e) *Late payment on Zero Coupon S.O. Bonds*

If the amount payable in respect of any Zero Coupon S.O. Bond upon redemption of such Zero Coupon S.O. Bond pursuant to paragraph (a) or (b) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon S.O. Bond shall be an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Amortised Face Amount =  $RP \times (1 + AY)^x$  where:

**RP** means the Reference Price;

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

$x$  is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date (or, in the case of Swedish S.O. Bonds, from (but excluding) the Issue Date) of the first Tranche of the Zero Coupon S.O. Bonds to (but excluding) (or, in the case of Swedish S.O. Bonds, to (and including)) the date which is the earlier of:

- (A) the date on which all amounts due in respect of such Zero Coupon S.O. Bond have been paid; and
- (B) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon S.O. Bonds has been received by the Agent and notice to that effect has been given to the S.O. Bondholders in accordance with Condition 12,

and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date (or, in the case of Swedish S.O. Bonds, from (but excluding) the Issue Date) of the first Tranche of the Zero Coupon S.O. Bonds to (but excluding) (or, in the case of Swedish S.O. Bonds, to (and including)) the date which is the earlier of:

- (A) the date on which all amounts due in respect of such Zero Coupon S.O. Bond have been paid; and

- (B) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon S.O. Bonds has been received by the Agent and notice to that effect has been given to the S.O. Bondholders in accordance with Condition 12,

and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date (or, in the case of Swedish S.O. Bonds, from (but excluding) the Issue Date) of the first Tranche of the Zero Coupon S.O. Bonds to (but excluding) (or, in the case of Swedish S.O. Bonds, to (and including)) the date which is the earlier of:

- (A) the date on which all amounts due in respect of such Zero Coupon S.O. Bond have been paid; and
- (B) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon S.O. Bonds has been received by the Agent and notice to that effect has been given to the S.O. Bondholders in accordance with Condition 12,

and the denominator will be 365.

## **7. Taxation**

All payments of principal and interest in respect of the S.O. Bonds and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law, in which case such deduction will be made by the Issuer.

**Tax Jurisdiction** means the Kingdom of Sweden (**Sweden**) or any political subdivision or any authority thereof or therein having the power to tax.

## **8. Prescription**

The S.O. Bonds and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 5) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

## **9. Replacement of S.O. Bonds, Coupons and Talons**

Should any S.O. Bond, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced S.O. Bonds, Coupons or Talons must be surrendered before replacements will be issued. For the avoidance of doubt, this Condition 9 shall not apply to the Swedish S.O. Bonds.

## **10. Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, *provided that* so long as S.O. Bonds or Swedish S.O. Bonds remain outstanding:

- (a) there will at all times be an Agent;
- (b) so long as the S.O. Bonds are listed on any stock exchange or relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and

- (c) in the case of Swedish S.O. Bonds, there will at all times be a Swedish Paying Agent with a specified office in Sweden and a registrar, which shall be Euroclear Sweden, *provided that*, such Swedish Issuing Agent is duly authorised by Euroclear Sweden.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d). Notice of any variation, termination, appointment or change in Paying Agents will be given to the S.O. Bondholders in accordance with Condition 12.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any S.O. Bondholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

#### **11. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the S.O. Bond to which it appertains) a further Talon, subject to the provisions of Condition 8.

#### **12. Notices**

All notices regarding the S.O. Bonds will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the S.O. Bonds are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any Definitive S.O. Bonds are issued, there may, so long as any Global S.O. Bonds representing the S.O. Bonds are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the S.O. Bonds and, in addition, for so long as any S.O. Bonds are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or such other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or any other relevant authority. Any such notice shall be deemed to have been given to the holders of the S.O. Bonds on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any S.O. Bondholder shall be in writing and given by lodging the same, together (in the case of any S.O. Bond in definitive form) with the relative S.O. Bond or S.O. Bonds, with the Agent. Whilst any of the S.O. Bonds are represented by a Global S.O. Bond, such notice may be given by any holder of an S.O. Bond to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

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

#### **13. Provision of Information**

In relation to Swedish S.O. Bonds, each S.O. Bondholder agrees and gives consent to Euroclear Sweden to provide to the Swedish Issuing Agent, upon request, information registered with Euroclear Sweden relating to the Swedish S.O. Bonds and the holders of the Swedish S.O. Bonds in order that the Swedish Issuing Agent may provide any relevant Swedish authorities, including the Financial Supervisory Authority of Sweden (*Finansinspektionen*) and the Swedish tax authorities, with any information required under applicable Swedish laws. Such information shall include, but not be limited to, the identity of the registered holder of the Swedish S.O. Bonds, the residency of the registered holder of the Swedish S.O. Bonds, the number of Swedish S.O.

Bonds registered with the relevant holder, the address of the relevant holder, the account operator in respect of the relevant Euroclear Sweden account (*Kontoförande*) and whether or not the Swedish S. O. Bonds are registered in the name of a nominee and the identity of any such nominee.

In order to comply with these Terms and Conditions, the Issuer and a Swedish Issuing Agent, may collect and process personal data about the holder of the Swedish S.O. Bonds.

#### **14. Meetings of S.O. Bondholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the S.O. Bondholders (other than in respect of meetings of the holders of Swedish S.O. Bonds) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the S.O. Bonds, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or S.O. Bondholders holding not less than ten per cent in nominal amount of the S.O. Bonds for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent in nominal amount of the S.O. Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing S.O. Bondholders whatever the nominal amount of the S.O. Bonds so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the S.O. Bonds or the Coupons (including modifying the date of maturity of the S.O. Bonds or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the S.O. Bonds or altering the currency of payment of the S.O. Bonds or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the S.O. Bonds for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the S.O. Bonds for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than 75 per cent of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent in nominal amount of the S.O. Bonds for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of the holders of not less than 75 per cent in nominal amount of the S.O. Bonds for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the S.O. Bondholders. An Extraordinary Resolution passed by the S.O. Bondholders will be binding on all the S.O. Bondholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

The Agent and the Issuer may agree, without the consent of the S.O. Bondholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the S.O. Bonds, the Coupons or Agency Agreement which is not prejudicial to the interests of the S.O. Bondholders; or
- (b) any modification of the S.O. Bonds, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the S.O. Bondholders and the Couponholders and any such modification shall be notified to the S.O. Bondholders in accordance with Condition 12 as soon as practicable thereafter.

The amended and restated programme agreement dated 4 May 2020 (as supplemented and/or amended and/or restated from time to time prior to the Issue Date of a Series of Swedish S.O. Bonds) contains provisions regarding meetings of holders of Swedish S.O. Bonds to consider any matter affecting their interests, including the sanctioning by a resolution of holders of a modification of the Swedish S.O. Bonds. Such provisions shall have effect as if incorporated herein.

In respect of any Series of Swedish S.O. Bonds, the Swedish Issuing Agent and the Issuer may agree, without the consent of the holders of the Swedish S.O. Bonds, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as provided for in the provisions relating to meetings of holders of Swedish S.O. Bonds) of the Swedish S.O. Bonds which is not prejudicial to the interests of the holders of Swedish S.O. Bonds; or

- (b) any modification of the Swedish S.O. Bonds which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the holders of Swedish S.O. Bonds and any such modification shall be notified to the Noteholders in accordance with Condition 12 as soon as practicable thereafter.

The Swedish Issuing Agent shall prior to and in connection with meetings of S.O. Bondholders, and otherwise as and when required to carry out its duties under these Conditions, be entitled to obtain information from the register of S.O. Bondholders kept by Euroclear Sweden in respect of the Swedish S.O. Bonds (*skuldbok*), provided that this is permitted under the Euroclear Sweden Rules. The Swedish Issuing Agent may use the information only for the purposes of carrying out its duties and exercising its rights in respect of the issue and shall not disclose such information to the Issuer, a holder of Swedish S.O. Bonds or any third party unless necessary for such purposes.

## **15. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the S.O. Bondholders or the Couponholders to create and issue further covered bonds in accordance with the Swedish Act on Issuance of Covered Bonds having terms and conditions the same as the S.O. Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding S.O. Bonds.

## **16. Third Party Rights**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this S.O. Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **17. Governing Law and Submission to Jurisdiction**

### *(a) Governing law*

The Agency Agreement, the Deed of Covenant, the S.O. Bonds and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the S.O. Bonds and the Coupons are governed by, and shall be construed in accordance with, English law except that the provisions of the S.O. Bonds under Condition 2 are governed by, and shall be construed in accordance with, the laws of Sweden.

### *(b) Submission to jurisdiction*

Subject to Condition 17(d) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the S.O. Bonds, and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the S.O. Bonds and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any S.O. Bondholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (c) For the purposes of this Condition 17, each of the Issuer and any S.O. Bondholders or Couponholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

- (d) This Condition 17(d) is for the benefit of the S.O. Bondholders and the Couponholders only. To the extent allowed by law, the S.O. Bondholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### *(e) Swedish S.O. Bonds*

Without prejudice to Conditions 17(a) to (d) above, Swedish law and jurisdiction will be applicable with regard to the registration of Swedish S.O. Bonds in Euroclear Sweden.

Notwithstanding that, under the SFIA Act or the Euroclear Sweden Rules (together, the **Swedish Remedies**), holders of Swedish S.O. Bonds may have remedies against the Issuer for non-payment or non-performance under the Conditions applicable to such Swedish S.O. Bonds, a holder of Swedish S.O. Bonds must first exhaust all available remedies under English law for non-payment or non-performance before any suit, action or proceeding may be brought against the Issuer in Sweden in respect of the Swedish Remedies. Notwithstanding Condition 17(e), and in this limited respect only, a holder of Swedish S.O. Bonds may therefore not take a concurrent suit, action or proceeding in Sweden.

(f) *Appointment of Process Agent*

The Issuer appoints Business Sweden – The Swedish Trade & Invest Council at its registered office at 5 Upper Montagu Street, London W1H 2AG as its agent for service of process, and undertakes that, in the event of Business Sweden – The Swedish Trade & Invest Council ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(g) *Other documents*

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## 18. **Swedish Statutory Bail-in Powers**

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

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

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Bail-in Power or the date from which the Bail-in Power shall be effective with respect to the S.O. Bonds, the Issuer shall notify the S.O. Bondholders in accordance with Condition 12 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the S.O. Bonds described in this Condition.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the S.O. Bonds shall not constitute an Event of Default and these Conditions shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the S.O. Bonds, subject to any modification of the amount of interest or other distributions payable to reflect the reduction of the principal amount, and any further modification of these Conditions that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden.

Each S.O. Bondholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the S.O. Bonds.

## TERMS AND CONDITIONS OF THE VPS S.O. BONDS

*The following are the Terms and Conditions of the VPS S.O. Bonds. VPS S.O. Bonds will not be evidenced by any physical bond or document of title other than a statement of account made by the VPS. Ownership of VPS S.O. Bonds will be recorded and transfer effected only through the book-entry system and register maintained by the VPS. If the relevant VPS S.O. Bonds are Exempt S.O. Bonds, the applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such VPS S.O. Bonds.*

The S.O. Bonds are issued in accordance with the Swedish Act (2003:1223) on issuance of Covered Bonds (*Lag (2003:1223) om utgivning av säkerställda obligationer*) (the **Swedish Act on Issuance of Covered Bonds**).

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

References herein to the VPS S.O. Bonds shall be references to the VPS S.O. Bonds of this Series and shall mean S.O. Bonds registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be the *Verdipapirsentralen* (**VPS S.O. Bonds** and the **VPS**, respectively).

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

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

The final terms for each Tranche of VPS S.O. Bonds (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these terms and conditions of the VPS S.O. Bonds (the **VPS S.O. Bond Conditions**) or, if the VPS S.O. Bonds are neither admitted to trading on a regulated market in the European Economic Area or the United Kingdom nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation (an **Exempt S.O. Bond**), the final terms (or the relevant provisions thereof) are set out in Part A of a pricing supplement relating to the VPS S.O. Bonds (the **Pricing Supplement**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these VPS S.O. Bond Conditions, replace or modify these VPS S.O. Bond Conditions for the purposes of the VPS S.O. Bonds. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) prepared by the Issuer in relation to the relevant VPS S.O. Bonds. If the VPS S.O. Bonds are Exempt S.O. Bonds, any reference in these VPS S.O. Bond Conditions to "Final Terms" shall be deemed to include a reference to the applicable Pricing Supplement where relevant. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended or superseded).

The VPS Trustee acts for the benefit of the holders for the time being of the VPS S.O. Bonds (the **VPS S.O. Bondholders** and the **holders of VPS S.O. Bonds**), in accordance with the provisions of the VPS Trustee Agreement and these VPS S.O. Bond Conditions.

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

Copies of the VPS Agency Agreement and the VPS Trustee Agreement are available for inspection during normal business hours at the specified office of the VPS Agent and at the registered office for the time being of the VPS Trustee being at 4 May 2020 at Kronprinsesse Märthas plass 1, N-0160, Oslo, Norway. The VPS S.O. Bondholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Agency Agreement, the VPS Trustee Agreement and the Final Terms which are applicable to them. The statements in these VPS S.O. Bond Conditions include summaries of, and are subject to, the detailed provisions of the VPS Agency Agreement and the VPS Trustee Agreement.

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

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

### **1. Form, Denomination and Title**

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

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

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

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

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

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

### **2. Status of the VPS S.O. Bonds**

Each Tranche of VPS S.O. Bonds constitute unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The VPS S.O. Bonds are obligations issued in accordance with the Swedish Act on Issuance of Covered Bonds and rank *pari passu* with all other obligations of the Issuer that have been provided the same priority as debt instruments issued in accordance with the terms of the Swedish Act on Issuance of Covered Bonds.

### **3. This Condition 3 has been left blank intentionally**

### **4. Interest**

(a) *Interest on Fixed Rate S.O. Bonds*

Each Fixed Rate S.O. Bond bears interest from and including the Interest Commencement Date to (but excluding) the Maturity Date or, if the applicable Final Terms specifies that an Extended Final Maturity Date applies, the Extended Final Maturity Date or any earlier Interest Payment Date on which the S.O. Bonds are redeemed in full, *provided that* any amounts representing interest payable after the Maturity Date shall be paid at such rate and on such dates as specified in the Final Terms.

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

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

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these VPS S.O. Bond Conditions:

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

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

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

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

(b) *Interest on Floating Rate S.O. Bonds*

(i) Interest Payment Dates

Each Floating Rate S.O. Bond bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these VPS S.O. Bond Conditions, **Business Day** means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate S.O. Bonds

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the S.O. Bonds (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

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

(B) Screen Rate Determination for Floating Rate S.O. Bonds (other than Floating Rate S.O. Bonds which reference SONIA, SOFR or €STR)

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

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

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

If the Relevant Screen Page is not available or if, in the case of Condition 4(b)(ii)(B)(1), no offered quotation appears or, in the case of Condition 4(b)(ii)(B)(2), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at

approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

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

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

In this Condition 4(b)(ii)(B):

- (3) **Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms; and
- (4) **Specified Time** means 11.00 a.m. (London time, in the case of a determination of LIBOR, Brussels time, in the case of a determination of EURIBOR or Stockholm time, in the case of a determination of STIBOR) or 12.00 noon (Oslo time, in the case of a determination of NIBOR).

(C) Screen Rate Determination for Floating Rate S.O. Bonds which reference SONIA, SOFR or €STR

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

(a) where the Calculation Method in respect of the relevant Series of S.O. Bonds is specified in the applicable Final Terms as being **Compounded Daily**, the Rate of Interest applicable to the S.O. Bonds for each Interest Period will (subject to Condition 4(d) (Benchmark Replacement) and Condition 4(c)(iii) (Minimum Rate of Interest and/or Maximum Rate of Interest)) be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

(b) where the Calculation Method in respect of the relevant Series of S.O. Bonds is specified in the applicable Final Terms as being **Weighted Average**, the Rate of Interest applicable to the S.O. Bonds for each Interest Period will (subject to Condition 4(d) (Benchmark Replacement) and Condition 4(c)(iii) (Minimum Rate of Interest and/or Maximum Rate of Interest)) be the Weighted Average Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

(2) Where **SONIA** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 4(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:

(a) (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus  
(ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

(b) if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraph above, and without prejudice to Condition 4(d) (Benchmark Replacement), in the event of the Bank of England publishing guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent reasonably practicable, follow such guidance in order to determine the SONIA rate, for purposes of the S.O. Bonds, for so long as the SONIA rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Terms and Conditions of the VPS S.O. Bonds or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Rate of Interest, the Calculation Agent shall have no obligation to

act until such amendments or modifications have been made in accordance with the Terms and Conditions of the VPS S.O. Bonds and the Agency Agreement. No consent of the Bondholders shall be required in connection with effecting any amendment or modification in accordance with the foregoing, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (if required).

- (3) Where **SOFR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 4(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page.
- (4) Where **€STR** is specified as the Reference Rate in the applicable Final Terms, subject to Condition 4(d) (Benchmark Replacement), if, in respect of any Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published on the Relevant Screen Page.
- (5) For the purposes of this Condition 4(b)(ii)(C):

**Applicable Period** means,

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

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

**Compounded Daily Reference Rate** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

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

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

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

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

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

**i** means, for the relevant Applicable Period, a series of whole numbers from one to  $d_0$ , each representing the relevant Business Day in chronological order from and including, the first Business Day in such Applicable Period;

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

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

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

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

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

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

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

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

**r<sub>i-p</sub><sup>BD</sup>** means:

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

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

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

**TARGET Settlement Day** means any day on which TARGET2 is open for the settlement of payments in euro;

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

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

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

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

where:

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

$r_{i-p}^{BD}$  means (unless otherwise specified in the applicable Final Terms):

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

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

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

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

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

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

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

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30;

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30.

- (v) Linear Interpolation

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

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

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

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the VPS Agent, the VPS Trustee and the VPS and notice thereof to be published in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment

will be promptly notified to each stock exchange on which the relevant Floating Rate S.O. Bonds are for the time being listed and to the VPS S.O. Bondholders in accordance with Condition 10. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the VPS rules and regulations for the time being in effect.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest Rate and Payments from the Maturity Date if Extended Final Maturity applies*

- (i) If Extended Final Maturity is specified as being applicable in the applicable Final Terms and the Issuer has failed to pay (in full) the Final Redemption Amount on the Maturity Date specified in the applicable Final Terms, each VPS S.O. Bond shall bear interest in accordance with this Condition 4(c) on its outstanding nominal amount from (and including) the Maturity Date to (but excluding) the earlier of the Interest Payment Date upon which the VPS S.O. Bonds are redeemed in full and the Extended Final Maturity Date, subject to Condition 4(d). In such circumstances, the Rate of Interest for each Interest Period falling after the Maturity Date, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Calculation Agent in accordance with Condition 4(b), *mutatis mutandis*, and the applicable Final Terms.
- (ii) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c), by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence of wilful default and bad faith) no liability shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- (iii) This Condition 4(c) shall only apply to a Series of VPS S.O. Bonds if the Issuer fails to redeem such Series of VPS S.O. Bonds (in full) at their Final Redemption Amount (as specified in the applicable Final Terms) on the Maturity Date and the maturity of such VPS S.O. Bonds is automatically extended to the Extended Final Maturity Date in accordance with Condition 6(a).

(d) *Benchmark Replacement*

Notwithstanding the foregoing provisions of this Condition 4, if the Issuer (in consultation with the Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (in consultation with the Issuer) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the VPS S.O. Bonds for all future Interest Periods (subject to the subsequent provisions of this Condition 4(d));

- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; *provided, however, that* if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the date falling not less than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent to the relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the margin relating to that last preceding Interest Period);
- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the VPS S.O. Bonds for all future Interest Periods (subject to the subsequent provisions of this Condition 4(d));
- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) may also specify changes to the definitions of Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the VPS S.O. Bonds, and the method for determining the fallback rate in relation to the VPS S.O. Bonds, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the VPS S.O. Bonds for all future Interest Periods (as applicable) (subject to the subsequent provisions of this Condition 4(d)); and
- (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Agent and the VPS S.O. Bondholders.

Notwithstanding any other provision of this Condition 4(d), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or

calculation under this Condition 4(d), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

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

In these Terms and Conditions:

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

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

**Benchmark Event** means:

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

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

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

benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

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

(e) *Accrual of interest*

Each VPS S.O. Bond (or in the case of the redemption of part only of a VPS S.O. Bond, that part only of such VPS S.O. Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such VPS S.O. Bond have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such VPS S.O. Bond has been received by the Agent and notice to that effect has been given to the VPS S.O. Bondholders in accordance with Condition 10.

(f) The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in respect of the VPS S.O. Bonds and for so long as any VPS S.O. Bond is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the VPS S.O. Bonds, references in these VPS S.O. Bond Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these VPS S.O. Bond Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

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

- (a) those VPS S.O. Bonds which have been redeemed and cancelled pursuant to these VPS S.O. Bond Conditions;
- (b) those VPS S.O. Bonds in respect of which the date for redemption in accordance with these VPS S.O. Bond Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under these VPS S.O. Bond Conditions after that date) have been duly paid to or to the order of the VPS Agent (and where appropriate notice to that effect has been given to the VPS S.O. Bondholder in accordance with these VPS S.O. Bond Conditions) and remain available for payment against presentation of the relevant VPS S.O. Bonds;
- (c) those VPS S.O. Bonds which have been purchased and cancelled in accordance with these VPS S.O. Bond Conditions; and
- (d) those VPS S.O. Bonds in respect of which claims have become prescribed under these VPS S.O. Bond Conditions.

## 5. **Payments**

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

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

(b) *Payment of Principal and Interest*

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

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

(c) *Payment Day*

If the date for payment of any amount in respect of any VPS S.O. Bond is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) *Interpretation of principal and interest*

Any reference in these VPS S.O. Bond Conditions to principal in respect of the VPS S.O. Bonds shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the VPS S.O. Bonds;
- (ii) the Optional Redemption Amount(s) (if any) of the VPS S.O. Bonds;
- (iii) in relation to Zero Coupon S.O. Bonds, the Amortised Face Amount (as defined in Condition 6(e)); and
- (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS S.O. Bonds.

**6. Redemption and Purchase**

(a) *Redemption at maturity*

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

If Extended Final Maturity is specified as applicable in the Final Terms for a Series of VPS S.O. Bonds and the Issuer has failed to pay the Final Redemption Amount in full on the Maturity Date specified in the Final Terms, then (subject as provided below) payment of the unpaid amount by the Issuer shall be automatically deferred until the Extended Final Maturity Date, *provided that* any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date.

The Issuer shall confirm to the VPS Trustee and the VPS Agent as soon as reasonably practicable and in any event at least four business days in London prior to the Maturity Date of any inability of the Issuer to pay in full the Final Redemption Amount in respect of a Series of S.O. Bonds on that Maturity Date. Any failure by the Issuer to notify the VPS Agent shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party and shall not constitute a default.

Where the applicable Final Terms for a relevant Series of VPS S.O. Bonds provides that such VPS S.O. Bonds are subject to an Extended Final Maturity Date, such failure to pay by the Issuer on the Maturity Date shall not constitute a default in payment.

For the purposes of these VPS S.O. Bond Conditions:

**Extended Final Maturity Date** means, in relation to any Series of VPS S.O. Bonds, the date (if any) specified as such in the applicable Final Terms, being a date falling no later than 12 months from the Maturity Date, to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Maturity Date.

(b) *Redemption at the option of the Issuer (Issuer Call)*

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

- (i) not less than 15 nor more than 30 days' notice to the VPS S.O. Bondholders in accordance with Condition 10; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent;

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

(c) *Purchases*

The Issuer or any Subsidiary of the Issuer may at any time purchase VPS S.O. Bonds at any price in the open market or otherwise.

(d) *Cancellation*

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

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

(e) *Late payment on Zero Coupon S.O. Bonds*

If the amount payable in respect of any Zero Coupon S.O. Bond upon redemption of such Zero Coupon S.O. Bond pursuant to paragraph (a) or (b) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon S.O. Bond shall be an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Amortised Face Amount =  $RP \times (1 + AY)^x$  where:

**RP** means the Reference Price;

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

$x$  is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360- day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Zero Coupon S.O. Bonds to (but excluding) the date which is the earlier of:

- (A) the date on which all amounts due in respect of such Zero Coupon S.O. Bond have been paid; and
- (B) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon S.O. Bonds has been received by the Agent and notice to that effect has been given to the VPS S.O. Bondholders in accordance with Condition 10,

and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Zero Coupon S.O. Bonds to (but excluding) the date which is the earlier of:

- (A) the date on which all amounts due in respect of such Zero Coupon S.O. Bond have been paid; and
- (B) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon S.O. Bonds has been received by the Agent and notice to that effect has been given to the VPS S.O. Bondholders in accordance with Condition 10,

and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Zero Coupon S.O. Bonds to (but excluding) the date which is the earlier of:

- (A) the date on which all amounts due in respect of such Zero Coupon S.O. Bond have been paid; and
- (B) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon S.O. Bonds has been received by the Agent and notice to that effect has been given to the VPS S.O. Bondholders in accordance with Condition 10,

and the denominator will be 365.

## 7. Taxation

All payments of principal and interest in respect of the VPS S.O. Bonds by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law, in which case such deduction will be made by the Issuer.

**Tax Jurisdiction** means the Kingdom of Sweden (**Sweden**) or any political subdivision or any authority thereof or therein having the power to tax.

## 8. Prescription

The VPS S.O. Bonds will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

As used herein **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the VPS Agent on or prior to such due date, it means the date on which the full amount of such moneys having been so received, notice to that effect is duly given to the VPS S.O. Bondholders in accordance with Condition 10.

## 9. Transfer and Exchange of VPS S.O. Bonds

### (i) *Transfers of Interests in VPS S.O. Bonds*

Settlement of sale and purchase transactions in respect of VPS S.O. Bonds will take place two Oslo Business Days after the date of the relevant transaction. VPS S.O. Bonds may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of VPS S.O. Bonds which is held in the VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS. For the purpose of this Condition, **Oslo Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Oslo.

### (ii) *Registration of transfer upon partial redemption*

In the event of a partial redemption of VPS S.O. Bonds under Condition 6, the Issuer shall not be required to register the transfer of any VPS S.O. Bond, or part of a VPS S.O. Bond, called for partial redemption.

### (iii) *Costs of registration and administration of the VPS Register*

VPS S.O. Bondholders will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to the VPS Register, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## **10. Notices**

Notices to the VPS S.O. Bondholders shall be valid if the relevant notice is given to the VPS for communication by it to the VPS S.O. Bondholders and, so long as the VPS S.O. Bond are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the date of delivery by the VPS.

## **11. Meetings of VPS S.O. Bondholders, Modification and Waiver**

The VPS Trustee Agreement contains provisions for convening meetings of the VPS S.O. Bondholders to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the VPS S.O. Bonds or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, Oslo Børs or by VPS S.O. Bondholders holding not less than 10 per cent of the Voting VPS S.O. Bonds. (For the purpose of this Condition, **Voting VPS S.O. Bonds** means the aggregate nominal amount of the total number of VPS S.O. Bonds not redeemed or otherwise deregistered in the VPS, less the VPS S.O. Bonds owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.)

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VPS S.O. Bonds or at any adjourned meeting one or more persons being or representing holders of Voting VPS S.O. Bonds whatever the nominal amount of the VPS S.O. Bonds so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS S.O. Bonds, the VPS Trustee Agreement (including modifying the date of maturity of the VPS S.O. Bonds or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS S.O. Bonds or altering the currency of payment of the VPS S.O. Bonds), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Voting VPS S.O. Bonds, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Voting VPS S.O. Bonds. A resolution passed at any meeting of the VPS S.O. Bondholders shall be binding on all the VPS S.O. Bondholders, whether or not they are present at such meeting.

The VPS Trustee Agreement provides that:

- (a) the VPS Trustee may in certain circumstances, without the consent of the VPS S.O. Bondholders, make decisions binding on all VPS S.O. Bondholders relating to these VPS S.O. Bond Conditions, the VPS Trustee Agreement or the VPS Agency Agreement or that is not, in the VPS Trustee's opinion, materially prejudicial to the interests of the VPS S.O. Bondholders; and
- (b) the VPS Trustee may reach decisions binding for all VPS S.O. Bondholders.

## **12. VPS Trustee**

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility. VPS S.O. Bondholders are deemed to have accepted and will be bound by these VPS S.O. Bond Conditions and the terms of the VPS Trustee Agreement.

## **13. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the VPS S.O. Bondholders to create and issue further covered bonds in accordance with the Swedish Act on Issuance of Covered Bonds having terms and conditions the same as the VPS S.O. Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding VPS S.O. Bonds.

## **14. Third Party Rights**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of a VPS S.O. Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## 15. Governing Law and Submission to Jurisdiction

### (a) *Governing law*

The VPS S.O. Bonds and any non-contractual obligations arising out of or in connection with the VPS S.O. Bonds are governed by, and shall be construed in accordance with, English law, save as to Condition 2 which is governed by, and shall be construed in accordance with, the laws of Sweden and Conditions 11, 12 and 13 which are governed by, and shall be construed in accordance with, Norwegian law. The VPS Trustee Agreement and VPS Agency Agreement are governed by, and shall be construed in accordance with, Norwegian law.

VPS S.O. Bonds must comply with the Norwegian Securities Register Act of 5 July 2002 No. 64, as amended from time to time, and the holders of VPS S.O. Bonds will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

### (b) *Submission to jurisdiction*

Subject to Condition 15(e) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the VPS S.O. Bonds, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the VPS S.O. Bonds (a **Dispute**) and accordingly each of the Issuer and any VPS S.O. Bondholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(c) For the purposes of this Condition 15, each of the Issuer and any VPS S.O. Bondholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(d) The Issuer agrees, for the exclusive benefit of the VPS Trustee and the VPS S.O. Bondholders that the courts of Norway are to have jurisdiction to settle any Disputes which may arise out of, or in connection with, the VPS Trustee Agreement and the VPS Agency Agreement.

(e) This Condition 15(e) is for the benefit of the VPS S.O. Bondholders only. To the extent allowed by law, the VPS S.O. Bondholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### (f) *Appointment of Process Agent*

The Issuer appoints Business Sweden – The Swedish Trade & Invest Council at its registered office at 5 Upper Montagu Street, London W1H 2AG as its agent for service of process, and undertakes that, in the event of Business Sweden – The Swedish Trade & Invest Council ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## 16. Swedish Statutory Bail-in Powers

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

rights of the VPS S.O. Bondholders are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any Bail-in Power by the Relevant Resolution Authority.

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

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Bail-in Power or the date from which the Bail-in Power shall be effective with respect to the VPS S.O. Bonds, the Issuer shall notify the VPS S.O. Bondholders in accordance with Condition 10 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the VPS S.O. Bonds described in this Condition.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the VPS S.O. Bonds shall not constitute an Event of Default and these VPS S.O. Bond Conditions shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the VPS S.O. Bonds, subject to any modification of the amount of interest or other distributions payable to reflect the reduction of the principal amount, and any further modification of these VPS S.O. Bond Conditions that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or group entities in effect and applicable in Sweden.

Each VPS S.O. Bondholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the VPS S.O. Bonds.

## MEETINGS OF HOLDERS OF SWEDISH NOTES AND SWEDISH S.O. BONDS

*The following provisions are the provisions governing meetings of holders of Swedish Notes and Swedish S.O. Bonds and are included in an amended and restated programme agreement dated 4 May 2020 (as supplemented and/or amended and/or restated from time to time prior to the issue date of the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be)). These provisions will be incorporated by reference in the "Terms and Conditions of the Notes" and the "Terms and Conditions of the S.O. Bonds" insofar as they relates to Swedish Notes or Swedish S.O. Bonds (as the case may be).*

*Unless otherwise defined herein, capitalised terms used in the following provisions shall have the same meaning as given to such terms in the "Terms and Conditions of the Notes" or the "Terms and Conditions of the S.O. Bonds" (as the case may be).*

1. The Swedish Issuing Agent is entitled to convene a meeting for the holders of a Series of Swedish Notes or Swedish S.O. Bonds (as the case may be), and must convene a meeting for the holders of a Series of Swedish Notes or Swedish S.O. Bonds (as the case may be) at the request of (a) the relevant Dealer(s) appointed in respect of the original issue of such Swedish Notes or Swedish S.O. Bonds (as the case may be), (b) the Issuer or (c) the holder(s) of Swedish Notes or Swedish S.O. Bonds (as the case may be) of such Series who, at the time of the request, represent at least one-tenth of the nominal amount outstanding of the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be) for the time being outstanding (and such request may only be made by holders who are registered in the Euroclear Sweden Register on the next Stockholm Business Day after the day the request was received by the Swedish Issuing Agent and must be made together if a request is made by more than one holder of a Swedish Note or Swedish S.O. Bond (as the case may be)).
2. The Swedish Issuing Agent shall convene a meeting of holders of a Series of Swedish Notes or Swedish S.O. Bonds (as the case may be) by written notice to each holder, the Issuer and the relevant Dealer(s) within five Stockholm Business Days of the date on which the request was received from the Issuer, the requisitioning holder(s) or the relevant Dealer(s) in accordance with paragraph 1 above (or such later date as necessary for technical or administrative reasons only).
3. The Swedish Issuing Agent may refrain from convening a meeting of holders of Swedish Notes or Swedish S.O. Bonds (as the case may be) if (a) the proposed resolution must be approved by a person in addition to the holders and this person has notified the Swedish Issuing Agent that such approval will not be given; or (b) the proposed resolution is not compatible with applicable law.
4. The notice given in accordance with paragraph 2 above shall contain (a) the time of the meeting; (b) the place of the meeting; (c) an agenda (including each request by a holder of Swedish Notes or Swedish S.O. Bonds (as the case may be) for a resolution); and (d) a proxy form. A decision may not be made at the meeting in respect of any matter that is not listed in the notice. If holders are required to announce their intention to participate in the meeting, the notice shall contain information regarding such requirement.
5. The meeting shall be held no earlier than fifteen Stockholm Business Days and no later than thirty Stockholm Business Days after the notice given in accordance with paragraph 2 above. Meetings in respect of more than one Series of Swedish Notes or Swedish S.O. Bonds may be held on the same occasion.
6. Without deviating from these provisions relating to meetings of the holders of Swedish Notes or Swedish S.O. Bonds (as the case may be), the Swedish Issuing Agent may stipulate further provisions, as it deems appropriate, regarding the convening and holding of the meeting. Such provisions may, among other things, include provisions enabling holders to vote without attending the meeting in person or to allow the voting to take place electronically or through written voting procedures.
7. Any person other than a holder of a Swedish Note or Swedish S.O. Bonds wishing to exercise the rights of the holder thereof or vote at a meeting of the holders thereof must present a duly authorised power of attorney or other proof of authorisation from the relevant holder. A holder may issue more than one power of attorney to such person or persons to represent it in relation to some, or all, of the Swedish Notes or Swedish S.O. Bonds held by such holder. Unless otherwise specified as a term of the relevant authorisation, any such duly authorised representative or attorney may act independently from the holder or any other duly authorised representative or attorney.

8. Only a person who has been issued a power of attorney in accordance with paragraph 7 above by someone who is a Noteholder on the fifth Stockholm Business Day prior to the scheduled date of the meeting of holders of Swedish Notes or Swedish S.O. Bonds (as the case may be) (or such other period of time prior to the relevant meeting as is customary market practice in the market for bonds or notes cleared through Euroclear Sweden) (the **Meeting Record Date**) for the meeting may exercise voting rights at such meeting. The Swedish Issuing Agent may attend the meeting and shall ensure that an extract from the Euroclear Sweden Register on the Meeting Record Date for the Meeting is available at the meeting.
9. The holders of Swedish Notes or Swedish S.O. Bonds (as the case may be), the Swedish Issuing Agent, the Issuer and their respective representatives or assistants, are entitled to attend a meeting. The meeting may resolve that other persons may attend. The meeting may resolve that the Issuer and its representatives or assistants may only participate in a part or parts of the meeting. Representatives shall submit a duly issued power of attorney to be approved by the chairperson of the meeting. The meeting shall commence with the appointment of a chairperson, a secretary to take the minutes, and persons to attest the minutes. The chairperson shall prepare a list of holders that are present and entitled to vote at the meeting, with information on the proportion of the nominal amount outstanding of the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be) that is held by each respective holder (the **Voting Register**). The Voting Register shall thereafter be approved by the meeting. When applying these provisions, holders who have cast their vote via electronic voting, ballot paper or the equivalent shall be deemed to be present at the meeting. Only those who were holders or representatives for such holders on the Meeting Record Date are entitled to vote and shall be included in the Voting Register. The Issuer shall be granted access to the relevant voting calculations and the basis for these. The minutes shall be completed as soon as possible and made available to holders, the Issuer and the Swedish Issuing Agent.
10. Decisions on the following matters require the approval of Noteholders representing at least 90 per cent of the nominal amount outstanding of the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be) for which holders are voting under at the meeting:
  - (a) other than in accordance with the applicable Final Terms, any modification of the Maturity Date of the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be), reduction or cancellation of the nominal amount payable upon maturity, any change in the terms relating to interest, interest rate or the calculation thereof in respect of the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be) or any reduction or cancellation of the amount payable;
  - (b) any modification of the currency in which payments under the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be) are to be made;
  - (c) any modification of the provisions in respect of meetings of holders of Swedish Notes or Swedish S.O. Bonds set out in paragraphs 1 to 23;
  - (d) the substitution of the Issuer; or
  - (e) the sanctioning of any scheme or proposal for the exchange or sale of the Swedish Notes or Swedish S.O. Bonds for, or the conversion of the Swedish Notes or Swedish S.O. Bonds into, or the cancellation of the Swedish Notes or Swedish S.O. Bonds in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as stated above and partly for or into or in consideration of cash.
11. Matters which are not covered by paragraph 10 require the approval of holders representing more than 50 per cent of the nominal amount outstanding of the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be) for which holders are voting under at the meeting. This includes, but is not limited to, amendments and waivers of rights in relation to the Terms and Conditions of the Notes or Terms and Conditions of the S.O. Bonds (as the case may be) which do not require a greater majority (other than changes in accordance with Condition 16 (*Meetings of Noteholders, Modification and Waiver*) of the Terms and Conditions of the Notes or Condition 14 (*Meetings of Noteholders, Modification and Waiver*) of the Terms and Conditions of the S.O. Bonds) and acceleration of the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be).

12. A quorum at a meeting of holders of Swedish Notes or Swedish S.O. Bonds (as the case may be) requires the presence of holders, in person or via telephone (or by a representative with a power of attorney), representing at least 50 per cent of the nominal amount outstanding of the relevant Series Swedish Notes or Swedish S.O. Bonds (as the case may be) for matters listed in paragraph 10 above and, for any other matter, 20 per cent of the nominal amount outstanding of the relevant Series of Swedish Notes or Swedish S.O. Bonds (as the case may be).
13. If the meeting of holders of Swedish Notes or Swedish S.O. Bonds (as the case may be) has not met the necessary quorum requirements, the Swedish Issuing Agent shall convene a new meeting (in accordance with paragraph 2) provided that the relevant proposal has not been withdrawn by the person or entity requesting the meeting. The quorum requirement in paragraph 12 shall not apply to such new meeting. If the meeting has met the quorum requirement for some, but not all, matters which are to be resolved on in the meeting, decisions shall be made on those matters for which a quorum is present, and any other matter shall be referred to a new meeting.
14. A decision at a meeting of Swedish Notes or Swedish S.O. Bonds (as the case may be) which imposes new obligations on, or limits the rights of, the Issuer, the Swedish Issuing Agent, the Agent, any Calculation Agent, any Independent Adviser or a Dealer under the Terms and Conditions of the Notes or the Terms and Conditions of the S.O. Bonds (as the case may be) requires the written approval of the relevant party.
15. A resolution passed at a meeting of the holders of Swedish Notes or Swedish S.O. Bonds to authorise any modification to any Series of Swedish Notes that are Senior Non-Preferred Notes or Subordinated Notes is subject to the prior permission of the Competent Authority (if such permission is required (in the case of Senior Non-Preferred Notes) by the Applicable MREL Regulations or (in the case of Subordinated Notes) by the Capital Regulations (as the case may be)).
16. A holder of a Swedish Note or Swedish S.O. Bond which holds more than one Swedish Note or Swedish S.O. Bond need not vote for all, or vote in the same way for all, Swedish Notes or Swedish S.O. Bonds held.
17. The Issuer may not, directly or indirectly, pay or contribute to the payment of any inducement, fee, compensation or other consideration to any holder of Swedish Notes or Swedish S.O. Bonds for its approval of any matter to be resolved on at a meeting of holders of Swedish Notes or Swedish S.O. Bonds unless such inducement, fee, compensation or other consideration is offered to all holders of Swedish Notes or Swedish S.O. Bonds who provide their consent at the relevant meeting.
18. A decision made at a meeting of the holders of Swedish Notes or Swedish S.O. Bonds (as the case may be) shall be binding on all holders under the relevant Series of Swedish Notes or Swedish S.O. Bonds, whether or not they were present at the meeting. Holders shall not be held liable for any damage that the decision may cause another holder.
19. The Issuer shall reimburse the Swedish Issuing Agent for all costs, expenses and disbursements properly incurred by it in connection with any meeting of Swedish Notes or Swedish S.O. Bonds, including reasonable compensation for the Swedish Issuing Agent.
20. At the request of the Swedish Issuing Agent, the Issuer shall provide the Swedish Issuing Agent with a certificate, without delay, stating the nominal amount outstanding of any Series of Swedish Notes or Swedish S.O. Bonds which, as at the Meeting Record Date, are being held by or for the benefit of the Issuer or any Subsidiary of the Issuer, which Swedish Notes or Swedish S.O. Bonds shall, unless and until ceasing to be so held, be deemed not to be "outstanding" for the purposes of these provision. The Swedish Issuing Agent shall not be held responsible for the content of such certificate or otherwise for determining whether a Swedish Note or Swedish S.O. Bond is so owned by the Issuer or a Subsidiary of the Issuer.
21. Holders of Swedish Notes or Swedish S.O. Bonds (as the case may be) of the relevant Series shall be notified, without delay, of any and all decisions made at a meeting in accordance with Condition 14 (*Notices*) of the Terms and Conditions of the Notes or Condition 12 (*Notices*) of the Terms and Conditions of the S.O. Bonds (as the case may be). At the request of a holder of a Swedish Note or Swedish S.O. Bond (as the case may be), the Swedish Issuing Agent shall provide the holder with the minutes from the relevant meeting. Failure to notify the holders of Swedish Notes or Swedish S.O.

Bonds (as the case may be) as stated above in this paragraph does not affect the validity of any matter resolved on at the meeting.

22. The chairperson shall ensure that minutes of all resolutions and proceedings at every meeting are made and signed by the chairperson. Any minutes signed by the chairperson of the meeting at which any resolution was passed or proceedings had shall be conclusive evidence of the matters contained in the meeting and until the contrary is proven, every meeting in respect of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.
23. These provisions and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of the Kingdom of Sweden.

## OVERVIEW OF THE SWEDISH LEGISLATION REGARDING COVERED BONDS

The following is a brief overview of certain features of the Swedish Act on Issuance of Covered Bonds as of the date of this Offering Circular. The overview does not purport to be, and is not, a complete description of all aspects of the Swedish legislative and regulatory framework for covered bonds. In addition to the overview below, please also refer to the section "Risk Factors - Additional risks related to S.O. Bonds only" above.

### Introduction

The Swedish Act on Issuance of Covered Bonds entered into force on 1 July 2004 and was last amended in 2016. The Swedish Act on Issuance of Covered Bonds enables Swedish banks and credit market institutions (**Institutions**), which have been granted a specific licence by the SFSA, to issue full-recourse debt instruments secured by a pool of mortgage credits and/or public sector credits.

The SFSA has issued regulations and recommendations under the authority set out in the Swedish Act on Issuance of Covered Bonds by issuing FFFS 2013:1 (*Finansinspektionens föreskrifter och allmänna råd om säkerställda obligationer*) last amended by FFFS 2016:17 (*Föreskrifter om ändring i Finansinspektionens föreskrifter och allmänna råd (FFFS 2013:1) om säkerställda obligationer*) (the **SFSA Regulations**).

Swedish covered bonds may take the form of bonds and other comparable debt instruments, such as commercial paper. In the event of an Institution's bankruptcy, holders of covered bonds (and certain eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the pool with those of the covered bonds) benefit from a priority right in the pool of assets consisting of Eligible Mortgages, Public Credits and Supplemental Assets (all as defined below) (the **Cover Pool**). The Swedish Act on Issuance of Covered Bonds further enables such holders (and derivative counterparties) to continue to receive timely payments also following the Institution's bankruptcy, subject to certain conditions being met.

The Cover Pool is dynamic in the sense that an Institution may supplement or substitute assets in the Cover Pool at any time.

### Registration

Information in respect of all covered bonds, assets in the Cover Pool and relevant derivative contracts must be entered into a special register (the **Register**), which is maintained by the Institution. The actual registration of the covered bonds and relevant derivative contracts in the Register is necessary to confer the priority right in the Cover Pool. Further, only assets entered into the Register form part of the Cover Pool.

The Register must at all times show the nominal value of the covered bonds, the Cover Pool and the relevant derivative contracts. As a result, the Register requires regular updating, including without limitation due to changes in interest rates, interest periods, outstanding debt and the composition of the Cover Pool. The value of the underlying collateral securing the Eligible Mortgages in the Cover Pool must also be entered into the Register.

### Eligibility criteria for assets in the Cover Pool

The Cover Pool may consist of certain Eligible Mortgages, Public Credits and Supplemental Assets in accordance with the definitions below.

**Eligible Mortgages** means loans secured by (i) mortgages over real property (*fastigheter*) intended for residential, agricultural, office or commercial purposes or site leasehold rights (*tomträtter*) intended for residential, office or commercial purposes, (ii) pledges over tenant-owner rights (*bostadsrätter*), or (iii) comparable security interests over equivalent assets situated in other countries within the European Economic Area.

**Public Credits** means certain loans to (or guaranteed by), among others, the Swedish State, Swedish municipalities and comparable public bodies and the European Union.

**Supplemental Assets** consists primarily of government bonds and cash, although the SFSA may also authorise the use of certain debt instruments issued by credit institutions and other bodies as Supplemental Assets.

## Loan-to-value ratios and certain other restrictions

For Eligible Mortgages, there is a maximum loan amount which may be included in the Cover Pool, depending on the value of the underlying collateral:

1. For residential collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 75 per cent of the market value of the collateral.
2. For agricultural collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 70 per cent of the market value of the collateral.
3. For office or commercial collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 60 per cent of the market value of the collateral.

Should a loan exceed the relevant ratio, only the part of the loan that falls within the permitted limit may be included in the Cover Pool (a **Partly Eligible Loan**). The Swedish Act on Issuance of Covered Bonds does not explicitly regulate how proceeds in respect of a Partly Eligible Loan shall be distributed between the eligible and the non-eligible parts of the loan.

The most likely interpretation is that interest payments shall be allocated pro rata between the eligible and non-eligible parts of the loan and that amortisations shall be applied first towards the non-eligible part of the loan (absent enforcement of the security over the underlying collateral). However, proceeds from enforcement of the security should most likely be applied first towards the eligible part of the loan.

A similar situation arises if, for example, the same mortgage security serves as first-ranking security for two (or more) loans granted by an Institution and only one of these loans is included in the Cover Pool. The Swedish Act on Issuance of Covered Bonds does not give clear guidance as to how proceeds shall be allocated between the two loans in case of the Institution's bankruptcy. The lack of guidance may give room for unsecured creditors of the Institution to argue that only a *pro rata* portion of such proceeds shall be allocated to the loan included in the Cover Pool.

The Swedish Act on Issuance of Covered Bonds restricts the overall proportion of loans provided against security over real property (or site leasehold rights or tenant-owner rights) intended for office or commercial purposes to 10 per cent of an Institution's Cover Pool.

Furthermore, the proportion of Supplemental Assets may not exceed 20 per cent of the Cover Pool, although the SFSA has the authority to raise this limit to 30 per cent for a limited period in special circumstances.

Institutions are required to regularly monitor the market value of the mortgage assets that serve as collateral for loans included in the Cover Pool and at least once a year to analyse how future changes in market values may affect the loan-to-value ratios and the value of all such mortgage assets. If the market value of a mortgage asset declines significantly (15 per cent or more according to the preparatory works to the Swedish Act on Issuance of Covered Bonds), then only such part of the loan that falls within the permitted loan-to-value ratio will be eligible for inclusion in the Cover Pool and will be subject to the priority right described below. However, a decline in the market value following an Institution's bankruptcy would not result in a reduction of the assets in which holders of covered bonds (and relevant derivative counterparties) have a priority right, but could result in the Cover Pool ceasing to meet the matching requirements.

## Matching requirements

The Swedish Act on Issuance of Covered Bonds prescribes that an Institution must comply with certain matching requirements, which, among other things, require that the nominal value of the assets registered to the Cover Pool exceeds the nominal value of liabilities which relate to covered bonds issued from time to time by at least 2 per cent. The calculation shall be made on the basis of current book values. In order to comply with these requirements, the Institution may enter into derivative contracts, which will also be taken into account when testing the matching. To do so, the Institution is dependent on the availability of derivative counterparties with sufficient credit rating and also on such counterparties fulfilling their contractual obligations.

Furthermore, an Institution must compose the Cover Pool in such a way as to ensure a sound balance between the covered bonds and the assets in the Cover Pool in terms of currencies, interest rates and interest fixation periods. Such sound balance is deemed to exist when the present value of the Cover Pool at all times exceeds the present value of the liabilities relating to the covered bonds by at least 2 per cent. The present value of derivative

contracts shall be taken into account for the purposes of such calculation. The calculations of present value shall withstand certain stress tests (changes in interest rates and/or currency exchange rates).

The payment flows relating to the assets in the Cover Pool, derivative contracts and covered bonds shall be such that an Institution is at all times able to meet its payment obligations towards holders of covered bonds and relevant derivative counterparties.

Non-performing assets in the Cover Pool which are more than 60 days overdue must be disregarded for the purposes of the matching tests.

### **Supervision by the SFSA and the independent monitor**

The SFSA monitors that an Institution complies with the Swedish Act on Issuance of Covered Bonds and other provisions of the legislative and regulatory framework which regulates the business of the Institution. In addition, the SFSA appoints an independent monitor (*oberoende granskare*) for each Institution that issues covered bonds.

The independent monitor is responsible for monitoring the Register to assess whether or not it is being maintained correctly and in compliance with the Swedish Act on Issuance of Covered Bonds and the SFSA Regulations. The monitoring shall be risk-based. In particular, the independent monitor shall verify that (i) covered bonds and relevant derivative contracts are registered in the Register, (ii) only loans and Supplemental Assets that satisfy the eligibility criteria are included in the Cover Pool and registered in the Register, (iii) the valuations of the underlying collateral for loans in the Cover Pool are in accordance with the Swedish Act on Issuance of Covered Bonds and the SFSA Regulations, (iv) mortgage loans, the underlying collateral of which has decreased significantly in value are, for the purpose of the matching requirements, deducted from the Cover Pool to the extent necessary to comply with the relevant loan-to-value ratio and (v) the matching requirements are complied with. In addition, the independent monitor shall annually review revaluations by the Institution of the underlying collateral.

The independent monitor is entitled to request information from the Institution, conduct site visits and is required to report regularly and at least once a year to the SFSA. The Swedish Act on Issuance of Covered Bonds does not provide for any change to the independent monitor's remit upon the bankruptcy of an Institution.

### **Benefit of a priority right in the Cover Pool**

Pursuant to the Swedish Act on Issuance of Covered Bonds and the Rights of Priority Act, the holders of covered bonds benefit from a priority right in the Cover Pool should the Institution be declared bankrupt (*försatt i konkurs*). The same priority is awarded to the Institution's eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the Cover Pool with those of the covered bonds. Such derivative counterparties and the holders of the covered bonds rank *pari passu* with joint seniority in relation to the Cover Pool.

By virtue of the aforementioned priority, holders of covered bonds and relevant derivative counterparties rank ahead of unsecured creditors and all other creditors of the Institution in respect of assets in the Cover Pool (except the administrator-in-bankruptcy as regards fees for its administration of assets in the Cover Pool and costs for such administration and obligations under liquidity loans and other agreements entered into by the administrator-in bankruptcy on behalf of the bankruptcy estate with a view to fulfilling the matching requirements for the Cover Pool (see further below)). The priority right also covers cash received by an Institution and deriving from the Cover Pool or relevant derivative contracts, provided that certain administrative procedures have been complied with.

Due to what is generally regarded as an oversight by the legislator, there is some uncertainty as to whether a creditor that obtains execution (*utmätning*) against an asset in the Cover Pool earlier than three months before an Institution's bankruptcy could defeat the priority afforded to holders of covered bonds and derivative counterparties as regards such asset. However, an execution that is levied less than three months before the Institution is being declared bankrupt will typically not defeat the priority.

### **Administration of the Cover Pool in the event of bankruptcy**

Should an Institution be declared bankrupt, at least one administrator-in-bankruptcy would be appointed by the bankruptcy court and one administrator-in-bankruptcy would be appointed by the SFSA. The administrators-in-bankruptcy would take over the administration of the bankruptcy estate, including the Cover Pool.

Provided that (and as long as) the Cover Pool meets the requirements of the Swedish Act on Issuance of Covered Bonds (including the matching requirements), the assets in the Cover Pool, the covered bonds and any relevant derivative contracts that have been entered into the Register are required to be maintained as a unit and kept segregated from other assets and liabilities of the bankruptcy estate of the Institution. The administrators-in-bankruptcy are in such case required to procure the continued timely service of payments due under the covered bonds and any relevant derivative contracts. Consequently, the bankruptcy would not as such result in early repayment or suspension of payments to the holders of covered bonds or to derivative counterparties, so long as the Cover Pool continues to meet the requirements of the Swedish Act on Issuance of Covered Bonds.

Upon an Institution's bankruptcy, neither the Institution nor its bankruptcy estate would have the ability to issue further covered bonds. However, the Swedish Act on Issuance of Covered Bonds gives the administrators-in-bankruptcy an explicit and broad mandate to enter into loan, derivative, repo and other transactions on behalf of the bankruptcy estate with a view to maintaining matching cash flows, currencies, interest rates and interest periods between assets in the Cover Pool, covered bonds and derivative contracts. Counterparties in such transactions will rank senior to holders of covered bonds and derivative counterparties. The administrators-in-bankruptcy may also raise liquidity by selling assets in the Cover Pool in the market for example.

If the Cover Pool ceases to meet the requirements of the Swedish Act on Issuance of Covered Bonds, and the deviations are not just temporary and minor, the Cover Pool may no longer be maintained as a unit and the continuous payment under the terms and conditions of the covered bonds and derivative contracts will cease. The holders of covered bonds and derivative counterparties would in such case instead benefit from a priority right in the proceeds of a sale of the assets in the Cover Pool in accordance with general bankruptcy rules. This could result in the holders of covered bonds receiving payment according to a schedule that is different from that contemplated by the terms and conditions of the covered bonds (with accelerations as well as delays) or that the holders of covered bonds are not paid in full. However, the holders of covered bonds and derivative counterparties would retain the benefit of the right of priority in the assets comprising the Cover Pool. Any residual claims of the holders of covered bonds and derivative counterparties remain valid claims against the Institution, but will rank *pari passu* with other unsecured and unsubordinated creditors of the Institution.

#### **Directive on covered bonds**

The European Union's covered bond directive and regulation came into effect on 7 January 2020 (although there will be a maximum 30 month transposition period after the effective date for the new directive and the new regulation will become applicable during July 2022). Among other things, the European Union's covered bond directive lays down the conditions that covered bonds have to meet in order to be recognised under European Union law, aiming to strengthen investor protection in the European Union by imposing specific supervisory duties. Certain changes will likely be made to the Swedish Act on Issuance of Covered Bonds and the SFSA Regulations, but no draft legislation for the Swedish implementation of the European Union's covered bond directive has yet been presented. Hence, it is still unclear how the European Union's covered bond directive will affect the Swedish legislation governing covered bonds.

## USE OF PROCEEDS

Unless otherwise specified in the applicable Final Terms and subject to the below, the net proceeds from each issue of Notes and S.O. Bonds will be applied by the Issuer for its general corporate purposes.

If, in respect of any issue of Notes or S.O. Bonds, the net proceeds are to be applied by the Issuer towards the origination of loans to fund or re-finance certain defined projects such as financing or re-financing investments related to sustainable forestry, renewable energy and green buildings, such purposes will be more particularly specified under "*Reasons for the Offer and Estimated Net Proceeds*" in the applicable Final Terms (or under "*Use of Proceeds*" in the applicable Pricing Supplement, in the case of Exempt Notes/S.O. Bonds) as "*Green Bonds*". The relevant projects to be funded or re-financed will be described in the Issuer's Green Bond Framework available on the Issuer's website [www.landshypotek.se](http://www.landshypotek.se).

## INFORMATION RELATING TO THE ISSUER

### Introduction

Landshypotek Bank AB (publ) (the **Issuer** or **Landshypotek**) was incorporated in Stockholm on 3 November 1994 as a public limited liability company under Swedish law, with the business name Landshypotek AB (publ) and Swedish organisation number 556500-2762. The incorporation was part of the re-organisation of the General Mortgage Bank (*Sveriges Allmänna Hypoteksbank*) (**GMB**) and the county mortgage bank associations (the **mortgage associations**).

GMB was formed in 1861 as part of a government policy to increase the supply of capital to the agricultural sector. GMB's role was to fund its owners, the associations, through the issuance of bonds and debentures. The mortgage associations in turn provided funding for agricultural, forestry and horticultural purposes and their history goes back to 1836.

The mortgage associations were re-organised as an economic co-operative on 1 January 1995 under the name Landshypotek Ekonomisk Förening (the **Association** or **Parent**). At the same time, the business activities formerly carried out by GMB and the mortgage associations were transferred into the Issuer.

### Organisational Structure

The Issuer is a public limited liability company incorporated in Sweden and regulated under the Swedish Companies Act. In addition, the Issuer is a regulated banking company under the Swedish Act on Banking and Financing Activities (*Lag (2004: 297) om bank- och finansieringsrörelse*) and is subject to the supervision of the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the **SFSA**). The Issuer has been granted a licence by the SFSA to issue covered bonds in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (*Lag (2003:1223) om utgivning av säkerställda obligationer*).

The Issuer is wholly-owned by the Association, which is an economic co-operative whose members are the Issuer's loan customers in the farming and forestry sector. At the end of 2019, the Association had approximately 38,000 members. The ownership structure is expected to produce a loyal ownership and customer group with a strong incentive in the performance of the Issuer.

All business operations are conducted in the Issuer. The Issuer is dependent upon the Association which is the sole owner of the Issuer. During 2019, the Issuer divested its wholly owned subsidiaries Hypoteksbanken, corporate registration number 556370-1100 and Sveriges Allmänna Hypoteksbank AB, corporate registration number 556373-4432. At the date of this Offering Circular, the Issuer has no subsidiaries.

### Activities

The Issuer is specialised in offering financial services to Swedish agriculture and forestry with real estate property as collateral. The Issuer's core business is to offer mortgage loans to customers in the farming and forestry sector and to customers living on farms. The lending may also be secured by other collateral than real estate property, such as a personal guarantee, floating charge or with EU-support as collateral (EU loans). In 2017, the Issuer launched an offering of mortgage loans to homeowners in Sweden that is secured with other real estate property than agricultural or forestry assets.

Since 2014, the Issuer has also offered saving products through a digital service to the general public in Sweden.

The Issuer mainly uses the capital market as its funding source and achieves the desired flexibility by offering a variety of borrowing instruments that attract different types of investors. The main funding source is by issuing covered bonds.

The Issuer has a number of business partners that act as distributors for the Issuer's products.

Sustainability is an important and integrated part of the Issuer's business strategy, as evident by the Issuer being an issuer of green bonds with dedicated use of proceeds since 2018.

### Accounting principles

The Issuer does not publish consolidated financial statements after the financial year ended 31 December 2018, following the divestments of its wholly owned dormant subsidiaries. Hence, the accounting principles relating to

consolidated financial statements are inapplicable for the financial years following 2018. The accounting principles that remain applicable will continue to be applied, as described below and in the relevant financial statements, from, and including, the 2019 financial year onwards. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (**IFRS**) and interpretations of the above as published by the International Financial Reporting Interpretations Committee (**IFRIC**) as adopted by the EU. Furthermore, the SFSA's regulations and general guidelines for annual reports in credit institutions and securities companies (FFFS 2008:25, including amendments), the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (**ÅRKL**) and the recommendations of the Swedish Financial Reporting Board, RFR 1, Supplementary Accounting Rules for Groups were also applied.

The Issuer applies statutory IFRS, which means that the legal entity's financial statements must apply all of the IFRSs and statements adopted by the EU, in so far as this is possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and after taking into account the relationship between accounting and taxation. Permissible exceptions and supplements to IFRS are stated in the Swedish Financial Reporting Board's recommendation *RFR 2, Accounting for Legal Entities*, and ÅRKL as well as the SFSA's regulations and general guidelines for annual reports in credit institutions and securities companies (FFFS 2008:25). The main differences in accounting policies between the Association and the Issuer are described on pages 65-68 of the 2019 Annual Report, where a more detailed description of the accounting policies in general also can be found.

## 2019 Annual Report

Unless stated otherwise, the financial information relating to 2019 in this section "*Information Relating to the Issuer*" is based on the 2019 Annual Report, which is the most recently published annual report of the Issuer.

### Liquidity

The Issuer has a substantial liquidity portfolio of interest-bearing securities, valued at SEK 9,848 million at 31 December 2019 (SEK 11,038 million at 31 December 2018). The Issuer's liquidity portfolio comprises liquid, interest-bearing securities, primarily Swedish covered bonds with the highest credit rating and bonds issued by Swedish municipalities. At 31 December 2019, the liquidity portfolio was 1.9 times larger than refinancing requirements for the next six months. The ratio is affected by the allocation of maturing debt for longer than six months and can, therefore, change between measurement periods.

### Lending

At 31 December 2019, the Issuer's lending to the public amounted to SEK 76,367 million (SEK 72,511 million, at 31 December 2018). All lending is domestic and made in Swedish krona.

### Loan losses and provisions

As at 31 December 2019, net credit losses for the Issuer totalled a positive amount of SEK 3 million (losses SEK 8 million, at 31 December 2018) of which net credit losses for non-credit-impaired assets had a positive earnings impact of SEK 4 million and credit-impaired assets had a negative earnings impact of SEK 1 million that was attributable to a few individual commitments.

The table below shows the loan loss level as a percentage for the Issuer at the end of each year for each of the years 2014 to 2019.

<i>Years ended 31 December</i>	<i>Loan loss level</i>
2014	0.13 per cent
2015	0.07 per cent
2016	0.02 per cent
2017	0.02 per cent
2018	0.01 per cent
2019*	-

\* An outcome is only presented in the case of a negative earnings impact.

## **Savings**

Total deposits from the public have continued to increase and amounted to SEK 14,449 million at 31 December 2019 (SEK 14,150 million 31 December 2018).

## **Funding**

### *Short-term funding*

The Issuer is active in the repo- and deposit markets for short term liquidity needs on a regular basis. The Issuer also has a Swedish commercial paper programme.

### *Long-term funding*

The Issuer issues its long-term non-covered debt through this Programme and may also issue on a stand-alone basis or under additional programmes from time to time. The Issuer's covered bond funding is made either through this Programme and may also be made on a stand-alone basis or under additional programmes from time to time.

## **Competitors**

The Issuer's main competitors are Swedish savings banks and commercial banks, which have shown an increasing interest in expanding their agricultural and forestry customer bases.

## **Recent Developments**

During 2019, the Issuer's forestry customers were affected by the extensive bark beetle infestations which to one extent or another, affected most of Sweden's forestry industry. Infestations were fewer in Norrland, and more extensive in Götaland and Svealand. Bark beetle infestations have resulted in relatively large levels of harvesting and increased stockpiles, which at the end of 2019 were at their largest for 12 years.

During the year of 2019, the Issuer has strengthened the front office part of the organisation and also made digital loan applications possible for farming and forestry customers. The Issuer has also strengthened the work to prevent money laundering and terrorism financing.

As a result of the recent outbreak of the coronavirus, the board of directors of the Issuer and the Association have decided to postpone the annual general meetings that were originally scheduled to be held on 22 April 2020 in Stockholm. The Issuers and the Association's board of directors will analyse the situation further before evaluating the dividend proposal for 2019, to allow more room for the Issuer and the Association to act in the interest of the Issuer's customers and members of the Association. The annual general meetings will at the latest be held on 30 June 2020, in accordance with the applicable legislation.

## **Issuer's website**

The Issuer's website is <https://www.landshypotek.se/>. Unless specifically incorporated by reference into this Offering Circular, information contained on the website does not form part of this Offering Circular.

## BOARD OF DIRECTORS AND MANAGEMENT

The members of the Board of Directors and Executive Management, whose business addresses are at the registered address of the Issuer, are as of the date of this Offering Circular:

<b>Board of Directors</b>	<b>Position</b>	<b>Other main principal activities</b>
Henrik Toll	Chairman	Chairman of Biz Apartment AB, Bårsta fastighetsförvaltning AB, Djurgårdsstadens Fastigheter AB, Grand Green AB, Guldslingan Holding AB, På Dal Förvaltnings AB, Tham Invest AB, Ädelmannen AB and Östra Borgaren AB, and Director of Edmåla Skog AB, Fallda AB and Harry Cullbergs Fond.
Anna-Karin Celsing	Board Member	Chairman of Sveriges Television AB, Director of Lannebo Fonder AB, Peas Industries AB, OX2 AB, and SERNEKE Group AB, stiftelsen Beckmans Designhögskola, stiftelsen Tim Bergling Foundations and Volati AB.
Hans Heuman	Board Member	Chairman of AB Gårdstånga Nygård and Aktiebolaget Marsvinsholm Gård. Director of Elico AB, Messis Jordbruks Aktiebolag and Pasta Skåne AB. Director of Landshypotek Ekonomisk Förening.
Ann Krumlinde	Board Member	Chairman of Bynk AB and Skabersjö Gods AB. Director of Moon Bay AB and Väderstad AB.
Nils-Fredrik Nyblaeus	Board Member	Bank Director, Vice Chairman of Euroclear plc (UK) and of Euroclear SA (Belgium). Director of Alfaro Aktiebolag and Tunabergs Konsult AB.
Johan Trolle-Löwen	Board Member	Chairman of Kopparfors Skogar AB. Director of Bergvik Skog AB, Firefly AB and Hargs Bruk AB. Deputy Director of HäradSkog i Örebro AB. CEO and Director of Sjösa Förvaltnings AB and Limmersvik AB.
Gunilla Aschan	Board Member	Director of Ellen Keys Stiftelse Strand, Fyrklövern ekonomi och juridik AB, Lantmännen ekonomisk förening, and Torseröds Vindkraftpark AB.
Anders Nilsson	Board Member, Employee Representative	-
Hans Broberg	Board Member, Employee Representative	-
<b>Senior Management</b>	<b>Position</b>	
Per Lindblad	Chief Executive Officer	
Johan Asklund	Chief Commercial Officer	
Martin Kihlberg	Chief Sustainability Officer and General Counsel	
Jan Lilja	Chief Risk Officer	
Fredrik Hahne	Acting Chief Operations Officer	
Tomas Uddin	Chief Marketing and Communications Officer and Head of HR	

Catharina Åbjörnsson            Chief Commercial Officer  
Lindgren

Karl Högstedt                    Chief Financial Officer

The Issuer has its registered address and postal address at P.O. Box 14092, SE-104 41 Stockholm, Sweden. The visiting address is Regeringsgatan 48, SE-111 56 Stockholm, Sweden and the telephone number is +46 8 459 04 00.

There are no potential conflicts of interest between the duties to the Issuer of the persons listed under the headings "*Board of Directors*" and "*Senior Management*" above and their private interests or other duties.

#### **Auditors**

Öhrlings PricewaterhouseCoopers AB, represented by Helena Kaiser de Carolis (Authorised Public Accountant) and Frida Main (Authorised Public Accountant).

## TAXATION

### Swedish Taxation

*The following overview outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Notes and S.O. Bonds. The overview is based on the laws of Sweden as currently in effect and is intended to provide general information only. The overview is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes or S.O. Bonds and is neither intended to be nor should be construed as legal or tax advice. In particular, the overview does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies. Specific tax consequences may also apply when Notes or S.O. Bonds are held by partnerships and as trading assets in a business. Such tax consequences are not described below. Neither does the overview cover Notes or S.O. Bonds which are placed on an investment savings account (investeringssparkonto). Investors should consult their professional tax advisors regarding the Swedish and foreign tax consequences (including the applicability and effect of tax treaties) of acquiring, owning and disposing of Notes and S.O. Bonds in their particular situation.*

#### *Non-resident holders of Notes or S.O. Bonds*

As used herein, a non-resident holder means a holder of Notes or S.O. Bonds who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Notes or S.O. Bonds, or (b) an entity not organised under the laws of Sweden.

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Notes or S.O. Bonds should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the Notes or S.O. Bonds are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a non-resident holder of any Notes or S.O. Bonds.

Individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption. Taxation may, however, be limited by an applicable tax treaty.

#### *Resident holders of Notes or S.O. Bonds*

As used herein, a resident holder means a holder of Notes or S.O. Bonds who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden.

Generally, for Swedish corporations and individuals (and estates of deceased individuals) that are resident holders of any Notes or S.O. Bonds, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes and S.O. Bonds) will be taxable. A capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction for sales expenses, and the acquisition cost for tax purposes. The acquisition cost for all Notes or S.O. Bonds of the same kind is determined according to the "average method" (*genomsnittsmetoden*).

An individual's capital income such as capital gains and interest is subject to a 30 per cent tax rate. Limited liability companies and other legal entities are taxed on all income, including capital gains and interest, as business income at the tax rate of 21.4 per cent. As of 2021, the tax rate will be 20.6 per cent.

Losses on listed Notes or S.O. Bonds (*marknadsnoterade fordringsrätter*) should generally be fully deductible for limited liability companies and for individuals in the capital income category. Certain deduction limitations may apply for individuals and limited liability companies with respect to losses on financial instruments deemed share equivalents (*delägarrätter*) for Swedish tax purposes, not described further herein.

Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a resident holder of Notes or S.O. Bonds. However, if amounts that are considered to be interest for Swedish tax purposes are paid to a private individual (or an estate of a deceased individual) that is a resident holder of Notes or S.O. Bonds, Swedish preliminary taxes (*preliminärskatt*) are normally withheld at a rate of 30 per cent.

## **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions, including Sweden, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as the Notes and the S.O. Bonds, including whether withholdings would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the S.O. Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the S.O. Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes or S.O. Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes or S.O. Bonds (as described under Condition 17 of the Terms and Conditions of the Notes, Condition 15 of the Terms and Conditions of the VPS Notes, Condition 15 of the Terms and Conditions of the S.O. Bonds and Condition 13 of the Terms and Conditions of the VPS S.O. Bonds) that are not distinguishable from previously issued Notes or S.O. Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all the Notes or S.O. Bonds, including the Notes or S.O. Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes or S.O. Bonds.

**FATCA is particularly complex. The above description is based in part on regulations, official guidance and the U.S.-Sweden IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes or S.O. Bonds.**

## SUBSCRIPTION AND SALE

The Initial Dealers have in an amended and restated programme agreement dated 4 May 2020 (as supplemented and/or amended and/or restated from time to time, the **Programme Agreement**) agreed with the Issuer a basis upon which it or any additional Dealers may from time to time agree to purchase Notes or S.O. Bonds. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*", "*Terms and Conditions of the VPS Notes*", "*Form of the S.O. Bonds*", "*Terms and Conditions of the VPS Notes*", "*Terms and Conditions of the S.O. Bonds*" and "*Terms and Conditions of the VPS S.O. Bonds*". In the Programme Agreement, the Issuer has agreed to reimburse the Initial Dealers for certain of its expenses in connection with the update of the Programme and has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Notes and S.O. Bonds under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement also makes provision for the resignation or termination of appointment of the Initial Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes or S.O. Bonds.

### *United States*

The Notes and S.O. Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes and S.O. Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder.

The Initial Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes or S.O. Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes or S.O. Bonds on a syndicated basis, the relevant lead manager, of all Notes or S.O. Bonds of the Tranche of which such Notes or S.O. Bonds are a part, within the United States or to, or for the account or benefit of, U.S. persons. The Initial Dealers has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes or S.O. Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes or S.O. Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes or S.O. Bonds an offer or sale of such Notes or S.O. Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### *Prohibition of Sales to European Economic Area Retail and United Kingdom Investors*

Unless the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes/S.O. Bonds) specifies "*Prohibition of Sales to European Economic Area and United Kingdom Retail Investors*" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes or S.O. Bonds which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes/S.O. Bonds) in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

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

- (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or S.O. Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Notes or S.O. Bonds.

If the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes/S.O. Bonds) specifies "*Prohibition of Sales to European Economic Area and United Kingdom Retail Investors*" as "Not Applicable", in relation to each Member State of the European Economic Area and the United Kingdom (each, a **Relevant State**), the Initial Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes or S.O. Bonds which are the subject of the offering contemplated in this Offering Circular as completed by the applicable Final Terms (or Pricing Supplement, as applicable), in relation thereto to the public in that Relevant State, except that it may make an offer of such Notes or S.O. Bonds to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

*provided that* no such offer of Notes or S.O. Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Notes or S.O. Bonds to the public** in relation to any Notes or S.O. Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or S.O. Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Notes or S.O. Bonds and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

#### ***United Kingdom***

The Initial Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes or S.O. Bonds in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes or S.O. Bonds in, from or otherwise involving the United Kingdom.

#### ***Japan***

The Notes and S.O. Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) and the Initial Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes or S.O. Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### *Sweden*

The Initial Dealers have agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or S.O. Bonds or distribute any draft or definitive document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Prospectus Regulation.

### *Norway*

The Initial Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the Issuer has confirmed in writing to each Dealer that the Notes or S.O. Bonds (if required) and the Offering Circular have been approved by the Financial Supervisory Authority of Norway, it has not, directly or indirectly offered or sold and will not, directly or indirectly, offer or sell any Notes or S.O. Bonds in Norway or to residents of Norway, except (i) to "qualified investors" as defined in the Prospectus Regulation Article 2 (e), cf. Article 1 no. 4 (a), as incorporated into Norwegian law pursuant to Section 7-1 of the Norwegian Securities Trading Act of 29 June 2007 no. 75. (the Securities Trading Act), or (ii) in respect of an offer of Notes or S.O Bonds addressed to investors subject to a minimum purchase of Notes or S.O Bonds for a total consideration of not less than €100,000 per investor cf. the Prospectus Regulation Article 1 no. 4 (c) as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act, or (iii) to, when aggregated with such offer or sale of any Notes or S.O Bonds in the same offering by any other Dealer, fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Regulation Article 2 (e), cf. Article 1 no. 4 (b), as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer, or (iv) in any other circumstance that shall not result in a requirement for the registration or the publication by the Issuer or the Dealer or Dealers of a prospectus pursuant to the Prospectus Regulation Article 1 no. 4 and no. 6 as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act. Notes or S.O. Bonds denominated in Norwegian kroner may not be offered or sold in the Norwegian market without the Notes or S.O. Bonds prior thereto having been registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be the VPS.

### *General*

The Initial Dealers have agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or S.O. Bonds or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes or S.O. Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes or S.O. Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The current update of the Programme and the issue of Notes and S.O. Bonds thereunder has been duly authorised in accordance with resolutions of the Board of Directors of the Issuer dated 8 April 2020.

### Listing and Admission to Trading of Notes and S.O. Bonds

Application has been made to the CSSF to approve this document as a base prospectus for the purposes of Article 8 of the Prospectus Regulation. On approval of this document as a base prospectus by the CSSF, notification of such approval will be made to the Swedish Financial Supervisory Authority (*Finansinspektionen*) in its capacity as the competent authority of Sweden for the purposes of the Prospectus Regulation. Application has also been made to the Luxembourg Stock Exchange for Notes and S.O. Bonds issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

### Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg. In the case of (i), (ii), (iii) and (v), these documents shall also be available for inspection in electronic form at <https://www.landshypotek.se/en/about-landshypotek/investor-relations/> (in the case of (v) for a period of 10 years) or <https://www.bourse.lu/issuer/LandsHypoteBank/69726>:

- (i) the Articles of Association and the Certificate of Registration (with an English translation thereof) of the Issuer;
- (ii) the 2018 Annual Report, the 2019 Annual Report and the 2020 First Quarter Interim Report;
- (iii) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (in each case with an English translation thereof), in each case together with any audit or review reports prepared in connection therewith;
- (iv) the Agency Agreement, the Deed of Covenant, the VPS Trustee Agreement, the VPS Agency Agreement and the forms of the Global Notes and the Global S.O. Bonds, the Notes and S.O. Bonds in definitive form, the Coupons and the Talons;
- (v) a copy of this Offering Circular; and
- (vi) any future offering circulars, prospectuses, information memoranda, supplements to this Offering Circular, Final Terms and Pricing Supplements (in the case of Exempt Notes/S.O. Bonds) (save that Pricing Supplements will only be available for inspection by a holder of such Note or S.O. Bond and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes or S.O. Bonds and identity) and any other documents incorporated herein or therein by reference.

In addition, this Offering Circular, any supplements to this Offering Circular, any documents incorporated by reference in this Offering Circular and any Final Terms relating to Notes or S.O. Bonds which have been admitted to trading on the Luxembourg Stock Exchange's regulated market will also be published on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

Copies of Final Terms relating to Notes or S.O. Bonds which are admitted to trading on any other regulated market in the European Economic Area or in the United Kingdom will be published in accordance with the Prospectus Regulation.

For the avoidance of doubt, unless specifically incorporated by reference into this Offering Circular, information contained on the above websites does not form part of this Offering Circular and has not been scrutinised or approved by the competent authority.

## **Clearing Systems**

The Notes and S.O. Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes or S.O. Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes/S.O. Bonds). If the Notes or S.O. Bonds are to clear through an additional or alternative clearing system (including the VPS and Euroclear Sweden) the appropriate information will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes/S.O. Bonds).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

VPS Notes and VPS S.O. Bonds will be registered with the VPS (which will be the entity in charge of keeping the records). Investors with accounts in Euroclear and/or Clearstream, Luxembourg may hold VPS Notes and VPS S.O. Bonds in their accounts with such clearing systems and the relevant clearing system will be shown in the records of the VPS as the holder of the relevant amount of VPS Notes or VPS S.O. Bonds.

The address of the VPS is Verdipapirsentralen ASA, Fred. Olsens gate 1, P.O. Box 1174 Sentrum, NO-0107 Oslo, Norway.

Swedish Notes and Swedish S.O. Bonds will be registered with Euroclear Sweden AB (which will be the entity in charge of keeping the records). The address of the Euroclear Sweden AB is Swedish Central Securities Depository, Euroclear Sweden, Box 191, 101 23 Stockholm.

## **Provision of Information**

In relation to the Swedish Notes and Swedish S.O. Bonds, more information on the handling of personal data about a holder of a Swedish Note or Swedish S.O. Bond, can be found on the Issuer's or the relevant Swedish Issuing Agent's website or by contacting the Issuer or the relevant Swedish Issuing Agent at the addresses specified below for more information.

## **Conditions for determining price**

The price and amount of Notes or S.O. Bonds to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

## **Legal Entity Identifier (LEI) of the Issuer**

The LEI of the Issuer is 5493004WUGGU2BQI7F14.

## **Significant or Material Change**

Except as disclosed (i) on page 220 of this Offering Circular under the heading "Recent Developments" and (ii) in 2020 First Quarter Interim Report in the sections entitled "CEO's Statement – Safe in a Turbulent World", "Events at Landshypotek Bank in the first quarter of 2020", "Our operating environment", "Our financial performance" and notes 1 and 3 to the unaudited financial statements of the Issuer for the three months ended 31 March 2020, which describe the impact of the coronavirus on the Issuer, the Group and the markets in which it operates, there has been no significant change in the financial position or financial performance of the Issuer or the Group since 31 March 2020 and no material adverse change in the prospects of the Issuer or the Group since 31 December 2019.

## **Material Contracts**

The Issuer has not entered into any material contracts outside the ordinary course of its business.

## **Litigation**

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is

aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

### **Auditors**

The auditors of the Issuer are Öhrlings PricewaterhouseCoopers AB, represented by Helena Kaiser de Carolis (Authorised Public Accountant) and Frida Main (Authorised Public Accountant). The auditors at Öhrlings PricewaterhouseCoopers AB have audited the Issuer's accounts in accordance with generally accepted auditing standards in Sweden for each of the two financial years ended 31 December 2019 and 31 December 2018 and issued unqualified audit reports thereon. Helena Kaiser de Carolis and Frida Main are members of FAR, the professional institute for authorised public accountants, approved public accountants and other highly qualified professionals in the accountancy sector in Sweden.

The auditors of the Issuer have no material interest in the Issuer.

### **Dealers transacting with the Issuer**

Each Initial Dealer and its affiliates have engaged, and may in the future engage, and any other Dealer appointed under the Programme from time to time and its affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. Each Initial Dealer and its affiliates, and any other Dealer appointed under the Programme from time to time and its affiliates, may have positions, deal or make markets in the Notes or S.O. Bonds issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, each Initial Dealer and its affiliates, and any other Dealer appointed under the Programme from time to time and its affiliates, may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes or S.O. Bonds issued under the Programme. Any such positions could adversely affect future trading prices of Notes or S.O. Bonds issued under the Programme. Each Initial Dealer and its affiliates, and any other Dealer appointed under the Programme from time to time and its affiliates, may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Yield**

The yield relating to a particular issue of Notes or S.O. Bonds will be stated in the Final Terms relating to those Notes or S.O. Bonds and is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### **Alternative Performance Measures**

In this Offering Circular, the Issuer uses certain metrics in the analysis of its business and financial position which the Issuer considers to constitute alternative performance measures (**APMs**) for the purposes of the ESMA Guidelines on Alternatives Performance Measures. APMs are financial metrics of historical or future performance, financial position or cash flows that are not defined in the applicable rules for financial reporting (for example, IFRS or the Swedish Annual Accounts Act for Credit Institutions and Securities Companies) nor in the capital adequacy rules. The Issuer uses APMs when these are relevant for the presentation and follow-up of the Issuer's financial performance over time and when these metrics are deemed by the Issuer to provide additional valuable information. APMs can be calculated with various approaches and, accordingly, the Issuer's metrics are not directly comparable with similar metrics presented by other companies. The definitions and aims of the APMs used in this Offering Circular are set out in the 2020 First Quarter Interim Report, the 2019 Annual Report and the 2018 Annual Report (see "*Documents Incorporated by Reference*").

## **Credit Ratings**

As at the date of this Offering Circular, the Programme has the following ratings from S&P: A (Senior Preferred Notes and Senior Preferred VPS Notes with a maturity of one year or more); A-1 (Senior Preferred Notes and Senior Preferred VPS Notes with a maturity of less than one year); BBB+ (Senior Non-Preferred Notes and Senior Non-Preferred VPS Notes); BBB (Subordinated Notes and Subordinated VPS Notes); and AAA/Stable/A-1+ (senior secured S.O. Bonds and VPS S.O. Bonds with a maturity of one year or more). Please see an explanation of the meaning of these ratings below:

### *Long-Term Issue Credit Ratings:*

An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

### *Short-Term Issue Credit Ratings:*

A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong.

### *Rating Outlooks:*

Stable means that a rating is not likely to change.

## **THE ISSUER**

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## **THE OTHER PAYING AGENT AND LUXEMBOURG LISTING AGENT**

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## **THE VPS TRUSTEE**

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## **THE VPS AGENT**

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## **LEGAL ADVISERS**

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