

## INFORMATION MEMORANDUM



Skandinaviska Enskilda Banken

*(Incorporated in the Kingdom of Sweden with limited liability)*

# Global Programme for the Continuous Issuance of Medium Term Notes, Capital Contribution Securities and Covered Bonds

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for medium term notes (the **MTNs**), capital contribution securities (the **Capital Contribution Securities**) and covered bonds (*säkerställda obligationer*) (the **Covered Bonds** and, together with the MTNs and the Capital Contribution Securities, the **Notes**) issued under the programme (the **Programme**) described in this Information Memorandum during the period of 12 months from the date hereof to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market. References in this Information Memorandum to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). This Information Memorandum supersedes the Information Memorandum dated 18th June, 2010. Application may be made for trading of Notes in the Private Offerings, Resales and Trading through Automated Linkages (**PORTAL**) Market of the National Association of Securities Dealers, Inc.

Under this Programme, Skandinaviska Enskilda Banken AB (publ) (the **Bank**) may, subject to all applicable legal and regulatory requirements, from time to time issue Notes in bearer and/or registered form (respectively **Bearer Notes** and **Registered Notes**) each denominated in any currency agreed between the Bank and the Dealers (as defined below).

**See "Risk Factors" for a discussion of certain factors that should be carefully considered by potential investors.**

The Notes will be represented initially by global Notes, without interest coupons, which will be deposited either with a common depository or common safekeeper for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and/or Euroclear Bank S.A./N.V. (**Euroclear**) or with a custodian for the Depository Trust Company (**DTC**) on the date of issuance thereof. Temporary Global Notes (as defined herein) in bearer form will be exchangeable either for a Permanent Global Note (as defined herein) in bearer form or for definitive securities in bearer form following the expiration of 40 days after the issuance thereof, upon certification as to non-U.S. beneficial ownership and as may be required by U.S. tax laws and regulations, as described under "Notice to Purchasers and Holders of Notes and Transfer Restrictions".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and will be offered and sold only (i) to purchasers outside of the United States in accordance with Regulation S under the Securities Act and (ii) in the United States to purchasers who are qualified institutional buyers (**QIBs**) as defined in, and in reliance on, Rule 144A under the Securities Act.

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*Arranger for the Programme*

**SEB**

*Dealers*

**Barclays Capital**  
**Citi**  
**Deutsche Bank**  
**J.P. Morgan**  
**SEB AG**

**BNP PARIBAS**  
**Commerzbank**  
**Goldman Sachs International**  
**Morgan Stanley**  
**SEB**

**BofA Merrill Lynch**  
**Credit Suisse**  
**HSBC**  
**NATIXIS**  
**Société Générale Corporate & Investment Banking**  
**UniCredit Bank**

**The Royal Bank of Scotland**

**UBS Investment Bank**

20th June, 2011

This Information Memorandum comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**).

The Bank accepts responsibility for the information contained in this document. To the best of the knowledge of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. References in this Information Memorandum to **Group** or to **SEB** are to the Bank and its subsidiaries, taken as a whole. This paragraph should be read in conjunction with the fourth paragraph on the cover of this Information Memorandum.

The Bank has confirmed to the dealers (the **Dealers**) named under “*Subscription and Sale*” that this Information Memorandum (as defined below) is true and accurate in all material respects and not misleading; that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would, in the context of the issue of the Notes, make any statement herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing. The Bank has further confirmed to the Dealers that this Information Memorandum (subject to being supplemented by a final terms document (the **Final Terms**) referred to herein) contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Bank and its subsidiaries and of the rights attaching to the relevant Notes.

This document should be read and construed with any supplement thereto (this document, as supplemented from time to time, the **Information Memorandum**), with any Final Terms and with any other documents incorporated by reference (see “*Documents Incorporated by Reference*”).

Subject as provided in the applicable Final Terms, the only persons authorised to use this Information Memorandum in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer, the Managers or the Financial Intermediaries, as the case may be.

**An investor intending to acquire or acquiring any Notes from any person (referred to as an *Offeror*) will do so, and offers and sales of the Notes to an investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such investor including as to price, allocations and settlement arrangements. The Bank will not be a party to any such arrangements with investors (other than the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Information Memorandum and any Final Terms will not contain such information. Each investor must look to the Offeror at the time of such offer for the provision of such information. The Bank has no responsibility to any investor in respect of such information.**

The Bank has not authorised the making or provision of any representation or information regarding the Bank or the Notes other than as contained or incorporated by reference in this Information Memorandum, in the Dealership Agreement (as defined herein), in any other document prepared in connection with the Programme or any Final Terms or as approved for such purpose by the Bank. Any such representation or information should not be relied upon as having been authorised by the Bank, the Dealers or any of them.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained herein. Neither the delivery of this Information Memorandum or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Bank since the date hereof or, as the case may be, the date upon which this document has been most recently supplemented.

The distribution of this Information Memorandum and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. The Dealers do not represent that this Information Memorandum may be lawfully distributed, or that any Notes 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. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this

Information Memorandum 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 Information Memorandum or any Final Terms comes are required by the Bank and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Information Memorandum or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, Notes have not been and will not be registered under the Securities Act and may include Notes in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. **Neither this Information Memorandum nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the **SEC**) or any state securities commission in the United States nor has the SEC or any State securities commission passed upon the accuracy or the adequacy of this Information Memorandum. Any representations to the contrary are a criminal offence in the United States.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)). See “*Subscription and Sale*”.

This Information Memorandum has been prepared by the Bank for use in connection with the offer and sale of the Notes in reliance upon Regulation S outside the United States to persons other than U.S. persons and, with respect to Notes in registered form only, within the United States in reliance upon Rule 144A under the Securities Act (**Rule 144A**) to QIBs as defined in, and in reliance on, Rule 144A and in accordance with any applicable exemption from the U.S. Investment Company Act of 1940 and any applicable securities laws of any state of the United States and any other relevant jurisdiction. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

To permit compliance with Rule 144A under the Securities Act in connection with sales of Notes, the Bank will furnish upon the request of a holder of Notes or of a beneficial owner of an interest therein to such holder or beneficial owner or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act, if at the time of such request, the Bank is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934 (the **Exchange Act**), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Neither this Information Memorandum nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Bank, the Dealers or any of them that any recipient of this Information Memorandum or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Information Memorandum or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Bank.

This Information Memorandum has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Information Memorandum as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to

Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Bank nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Bank or any Dealer to publish or supplement a prospectus for such offer.

All references in this Information Memorandum to **SEK** or **Kronor** are to the currency of the Kingdom of Sweden, to **Danish krone** are to the currency of the Kingdom of Denmark, to **JPY** or **Japanese Yen** are to the currency of Japan, to **Norwegian krone** are to the currency of the Kingdom of Norway, to **GBP**, **British Pound** or **Pounds Sterling** are to the currency of the United Kingdom, to **CHF** or **Swiss Francs** are to the currency of Switzerland, to **USD**, **U.S. Dollars** or **United States Dollars** are to the currency of the United States of America and to € or **euro** are 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.

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

**Neither the fact that a registration statement or an application for a license has been filed under Chapter 421-b of the New Hampshire Revised Statutes Annotated (“RSA 421-b”) with the State of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the State of New Hampshire constitutes a finding by the Secretary of State of the State of New Hampshire that any document filed under RSA 421-b is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State of the State of New Hampshire has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer, or client, any representation inconsistent with the provisions of this paragraph.**

## **RATING AGENCIES**

Each of Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), Moody's Investors Services Limited ("**Moodys**") and Fitch Ratings Limited ("**Fitch**") has rated SEB, see page 21.

Each of S&P, Moody's and Fitch is established in the European Union and has applied for registration under Regulation (EC) No.1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

## TABLE OF CONTENTS

	<b>Page</b>
Summary of the Programme .....	7
Risk Factors .....	13
Documents Incorporated by Reference.....	44
Description of the Notes to be Issued under the Programme.....	46
Form of the Notes.....	49
Terms and Conditions of the Notes.....	52
Summary of the Swedish Legislation Regarding Covered Bonds.....	84
Use of Proceeds.....	88
Pro Forma Final Terms.....	89
Skandinaviska Enskilda Banken.....	120
Management.....	131
Book Entry Clearance Systems.....	139
Notice to Purchasers and Holders of Notes and Transfer Restrictions .....	141
Taxation.....	143
Subscription and Sale .....	144
General Information.....	147

**IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES UNDER THE PROGRAMME, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED 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 AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES.**

**ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

## SUMMARY OF THE PROGRAMME

*This summary must be read as an introduction to this Information Memorandum. Any decision to invest in any Notes should be based on a consideration of this Information Memorandum as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an **EEA State**) no civil liability will attach to the Bank in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Information Memorandum. Where a claim relating to information contained in this Information Memorandum is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Information Memorandum before the legal proceedings are initiated.*

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this summary.

### **Issuer:**

SEB is a leading Nordic financial services group with a strong commercial and investment banking focus, providing a wide range of private individuals. Its core markets are the Nordic countries of financial services to corporate customers, financial institutions and Sweden, Denmark, Finland and Norway and the Baltic countries of Estonia, Latvia and Lithuania. Its core strengths are its wholesale banking, investment banking, wealth management and unit-linked insurance businesses. It also has significant operations in Germany. As of 31st March, 2011, SEB had total assets of SEK 2,118 billion and total equity of SEK 98 billion. For the year ended 31st December, 2010, SEB’s net profit was SEK 6.8 billion. For the three months ended 31st March, 2011, SEB’s net profit was SEK 2.6 billion.

Since 1st July, 2009, the Group’s business has been organised into five divisions:

- Merchant Banking – providing wholesale banking and investment banking services to large companies and financial institutions in SEB’s core markets;
- Retail Banking – providing retail banking services to private individuals and small and medium-sized enterprises (**SMEs**) in Sweden, and cards in the Nordic countries;
- Wealth Management – providing asset management and private banking services to institutions, foundations and private individuals in SEB’s core markets, and managing SEB’s mutual funds;
- Life – providing unit-linked and traditional life insurance mainly in Sweden, Denmark and the Baltic countries; and
- Baltic – providing retail banking services to private individuals and SMEs in Estonia, Latvia and Lithuania and responsible for all lending activities in those countries.

Prior to the reorganisation in July 2009, the businesses currently organised under the Baltic division formed part of the Retail Banking and Wealth Management divisions.

At 31st March, 2011, SEB’s customer base consisted of approximately 2,500 large corporate and institutional customers, 400,000 SMEs and approximately four million private individuals. At that same date, SEB had approximately 375 branch offices in Sweden, the Baltic countries and elsewhere. Outside its core markets,

SEB has a strategic presence, through its international network of 14 branches and representative offices located in various financial centres, to support and service mainly its large corporate and institutional customers. At 31st March, 2011, SEB had 17,426 full-time equivalent employees (**FTEs**) in its continuing operations, more than half of whom were located outside Sweden.

SEB has leading market positions in its core business areas. Its Merchant Banking division is a leading corporate and investment bank in the Nordic region, with substantial market shares in foreign exchange trading and cash management. It also has the largest equity trading market share by volume on NASDAQ OMX Stockholm and on the other Nordic stock exchanges in the aggregate based on market share measured by volume on the Stockholm, Oslo, Helsinki and Copenhagen stock exchanges. SEB's Retail Banking division is a leading provider of corporate charge cards in the Nordic countries. In Sweden, SEB is the fourth largest retail bank as measured by customer loans and one of the two largest banks as measured by long-term savings. Through its Wealth Management division, it is the second largest asset manager in the Nordic region (based on a comparison of total SEB assets under management and assets under management reported by other banks in the Nordic region, and rankings of SEB's private banking business in Sweden and Finland by Euromoney). SEB also has a strong position in the mass affluent and private banking segments of the Swedish market. For example, SEB was the second largest entity in the total Swedish household savings market (excluding directly owned shares) with a market share of 12.2 per cent. at the end of 2010 according to the quarterly publication *Sparbarometern*. In the Baltic countries, taken together, SEB is the second largest bank by lending market share (according to the most recently available central bank and bank association statistics in those countries). SEB is also a leading provider of unit-linked insurance in the Nordic region, where it was ranked first in Sweden by total unit-linked new business and total volume of life insurance in 2010 (with 22.4 per cent. and 26.1 per cent. market shares, respectively, as at 31st December, 2010 based on data from the Swedish Insurance Federation).

The Bank's share capital is divided into A and C shares. Each A share entitles the holder to one vote and each C share entitles the holder to 1/10 vote. Each holder of A Shares and C Shares is entitled to an equal share of any dividend approved at the Bank's annual general meeting. The Bank had a market capitalisation of approximately SEK 123 billion as at 31st December, 2010.

The following tables summarise the Group's income statements and balance sheets and provide certain key ratios as at 31st December in each of 2010 and 2009. This financial information was extracted without material adjustment from the audited consolidated financial statements of the Bank prepared in accordance with International Financial Reporting Standards (**IFRS**) for the year ended 31st December, 2010.



## Income statements

SEKm	As at/for the year ended 31st December, 2010	As at/for the year ended 31st December, 2009
Net interest income	16,010	18,046
Net fee and commission income	14,160	13,285
Net financial income	3,166	4,488
Net life insurance income	3,255	3,597
Net other income	288	2,159
<b>Total operating income</b>	<b>36,879</b>	<b>41,575</b>
Staff costs	(14,004)	(13,786)
Other expenses	(7,303)	(6,740)
Depreciation, amortisation and impairment of tangible and intangible assets	(1,880)	(4,672)
Restructuring costs	(764)	–
<b>Total operating expenses</b>	<b>(23,951)</b>	<b>(25,198)</b>
<b>Profit before credit losses</b>	<b>12,928</b>	<b>16,377</b>
Gains less losses from tangible and intangible assets	14	4
Net credit losses	(1,837)	(12,030)
<b>Operating profit</b>	<b>11,105</b>	<b>4,351</b>
Income tax expense	(2,521)	(2,482)
<b>Net profit from continuing operations</b>	<b>(8,584)</b>	<b>1,869</b>
<b>Discontinued operations</b>	<b>(1,786)</b>	<b>(691)</b>
<b>Net profit</b>	<b>6,798</b>	<b>1,178</b>
<b>Other comprehensive income (net of tax)</b>	<b>(4,051)</b>	<b>56</b>
<b>Total comprehensive income</b>	<b>2,747</b>	<b>1,234</b>

## Balance sheets

SEKm		
Loans to credit institutions	204,188	331,460
Loans to the public	1,074,879	1,187,837
Financial assets at fair value	617,746	581,641
Available for sale financial assets	66,970	87,948
Other assets	216,038	119,341
<b>Total assets</b>	<b>2,179,821</b>	<b>2,308,227</b>
Deposits by credit institutions	212,624	397,433
Deposits and borrowing from the public	711,541	801,088
Liabilities to policyholders	263,970	249,009
Debt securities	530,483	456,043
Financial liabilities at fair value	200,690	191,440
Other liabilities	133,670	75,149
Provisions	1,748	2,033
Subordinated liabilities	25,552	36,363
Total equity	99,543	99,669
<b>Total liabilities and equity</b>	<b>2,179,821</b>	<b>2,308,227</b>

Key ratios	2010	2009
Return on equity, continuing operations %	8.65	1.89
Basic earnings per share, continuing operations SEK	3.88	0.95
Cost/income ratio, continuing operations	0.65	0.61
Credit loss level, %	0.14	0.92
Gross level of impaired loans, %	1.26	1.39
Net level of impaired loans	0.62	0.72
Total capital ratio, % (Basel II, with transitional floor)	12.4	13.5
Tier 1 capital ratio, % (Basel II, with transitional floor)	12.8	12.8

The following tables summarise the Group's income statements and balance sheets and provide certain key ratios as at and for the three months ended 31st March, 2011 and 31st March, 2010. This financial information was extracted without material adjustment from the unaudited consolidated interim financial statements of the Bank prepared in accordance with IFRS.

## Income statements

	As at/for the three months ended 31st March, 2011	As at/for the three months ended 31st March, 2010
<b>SEKm</b>		
Net interest income	4,261	3,542
Net fee and commission income	3,503	3,194
Net financial income	1,235	950
Net life insurance income	782	879
Net other income	(109)	170
<b>Total operating income</b>	<b>9,672</b>	<b>8,735</b>
Staff costs	(3,610)	(3,438)
Other expenses	(1,798)	(1,784)
Depreciation, amortisation and impairment of tangible and intangible assets	(433)	(409)
<b>Total operating expenses</b>	<b>(5,841)</b>	<b>(5,631)</b>
<b>Profit before credit losses</b>	<b>3,831</b>	<b>3,104</b>
Gains less losses on disposals of tangible and intangible assets	6	(4)
Net credit losses	537	1,813
<b>Operating profit</b>	<b>4,374</b>	<b>1,287</b>
Income tax expense	(865)	(452)
<b>Net profit from continuing operation</b>	<b>3,509</b>	<b>835</b>
Discontinued operations	(893)	(146)
<b>Net profit</b>	<b>2,616</b>	<b>689</b>
<b>Other comprehensive income (net of tax)</b>	<b>(1,012)</b>	<b>(878)</b>
<b>Total comprehensive income</b>	<b>1,604</b>	<b>(189)</b>

## Balance sheets

<b>SEKm</b>		
Loans to credit institutions	199,060	272,242
Loans to the public	1,113,807	1,203,833
Financial assets at fair value	644,421	623,302
Available for sale financial assets	68,635	70,954
Other assets	92,498	114,959
<b>Total assets</b>	<b>2,118,421</b>	<b>2,285,290</b>
Deposits by credit institutions	201,503	393,379
Deposits and borrowing from the public	707,095	739,907
Liabilities to policyholders	263,075	255,289
Debt securities	549,849	469,312
Financial liabilities at fair value	195,347	209,524
Other liabilities	78,092	80,747
Provisions	1,612	1,724
Subordinated liabilities	23,992	35,886
Total equity	97,856	99,522
<b>Total liabilities and equity</b>	<b>2,118,421</b>	<b>2,285,290</b>

## Key ratios (unaudited)

Return on equity, continuing operations, %	14.06	3.30
Basic earnings per share, continuing operations, SEK	1.59	0.37
Cost/income ratio continuing operations,	0.60	0.64
Credit loss level, %	(0.17)	0.50
Gross level of impaired loans, %	1.12	1.31
Net level of impaired loans, %	0.54	0.64
Total capital ratio, % (Basel II with transitional floor)	12.7	13.1
Tier 1 capital ratio, % (Basel II with transitional floor)	13.2	12.4

## Risk Factors:

There are certain factors that may affect the Bank's ability to fulfil its obligations under the Notes issued under the Programme. These are described in detail under "Risk Factors" and include: (i) the risk that SEB's results can be adversely affected by general economic and other business conditions, (ii) the risk of increased credit provisioning adversely affecting SEB, (iii) the risk that regulatory change or enforcement initiatives could adversely affect SEB's business, (iv) the risk of competition pressures adversely affecting SEB's results of operations and (v) a range of standard banking and life insurance

risks including changes in interest and foreign exchange rates and operational, credit, market and liquidity risk, any of which, if not properly managed, could adversely affect SEB's business and results of operations. In addition there are certain factors that are material for the purpose of assessing the market risks associated with Notes issued under the Programme. In addition, prospective investors in Reference Item Linked Notes (as defined under "*Risks related to the structure of a particular issue of Notes*" in "*Risk Factors*") should understand the risks of transactions involving Reference Item Linked Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Notes and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Notes may relate, as specified in the applicable Final Terms.

Where the applicable Final Terms specify one or more Reference Item(s), the relevant Notes will represent an investment linked to the performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in the Notes will depend upon the performance of the relevant Reference Item(s).

**PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH ANY CASH AMOUNTS OR ASSET AMOUNTS ARE PAYABLE OR DELIVERABLE AND HOW ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED NOTES.**

**Securities not guaranteed:**

The Swedish Government Guarantee Scheme was implemented on 30th October, 2008. Although the Bank initially participated in the Swedish Government Guarantee Scheme, it did not issue any guaranteed securities and the securities the subject of this Information Memorandum will not be guaranteed by the Swedish Government.

**Arranger:**

Skandinaviska Enskilda Banken AB (publ).

**Programme Dealers:**

Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, Natixis, SEB AG, Skandinaviska Enskilda Banken AB (publ), Société Générale, The Royal Bank of Scotland plc, UBS Limited, UniCredit Bank AG and any other dealer appointed from time to time by the Bank.

**Fiscal Agent:**

Citibank, N.A., London Branch.

**Programme Amount:**

The Programme has an unlimited Programme Amount.

**Notes issued under the Programme:**

The Issuer may issue fully or partly paid Notes, denominated in any currency agreed between the Issuer and the relevant Dealer, at an issue price which is at par or at a discount to, or premium over, par.

Unsubordinated Notes, Dated Subordinated Notes, Undated Subordinated Notes, Capital Contribution Securities and Covered Bonds may be issued under the Programme.

The Notes may be issued on a continuing basis to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.

Notes may be distributed by way of private or public placement, subject to the restrictions set out under “*Subscription and Sale*”, and in each case on a syndicated or non-syndicated basis.

Notes may be issued as Fixed Rate Notes, Floating Rate Notes, Index Linked Notes, Dual Currency Notes or Zero Coupon Notes.

Notes may be issued for any maturity greater than one month or such other minimum or maximum maturity 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.

Notes may be issued which cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or which are redeemable at the option of the Issuer and/or the holders of the Notes upon giving notice to the holders of the 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.

## RISK FACTORS

*The Bank believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Bank believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Bank to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Bank based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.*

**THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS INFORMATION MEMORANDUM AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE BANK OR ANY DEALER.**

**AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE BANK ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE NOTES ARE REDEEMED BY THE BANK BY DELIVERY OF REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.**

**CERTAIN ISSUES OF NOTES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.**

**Factors that may affect the Bank's ability to fulfil its obligations under Notes issued under the Programme**

***SEB's business, earnings and results of operations are materially affected by conditions in the global financial markets and by global economic conditions***

The financial services industry generally prospers in conditions of economic growth, stable geopolitical conditions, capital markets that are transparent, liquid and buoyant, and positive investor sentiment. Each of SEB's operating divisions is affected by general economic and geopolitical conditions, which can cause SEB's financial condition and results of operations to fluctuate from year to year as well as on a long-term basis.

In recent years, there has been significant volatility in the financial markets around the world. The financial turbulence in 2008 and its after-effects on the wider economy have led to generally more difficult earnings conditions for the financial sector and, at the time, resulted in the failures of a number of financial institutions in the United States and Europe and unprecedented action by governmental authorities, regulators and central banks around the world. While there was some recovery in many of

SEB's geographic markets in 2010, there were significant differences in the strength of the recovery in the various national economies. A number of countries in Europe are still struggling with large budget deficits. The Irish economy in particular suffered in 2010, leading to severe pressure on the Irish banking sector. The public budget deficits, weak economies and the disruption in the capital markets necessitated rescue packages for Greece and Ireland in 2010 and Portugal in May 2011. Other indebted European Union countries also face potential fiscal tightening and growth rates may remain weak in the near future.

Many of SEB's markets experienced declining economic growth, rising unemployment and decreasing asset values in 2008 and 2009. These adverse economic and market conditions affected SEB in a number of ways during these years, including, among others, a decrease in the demand for certain loans and other products and services offered by SEB, increased cost of funding, volatile fair values for many of SEB's financial instruments, higher goodwill impairment charges and increasing loan impairment charges, all of which resulted in lower profitability.

Financial markets have shown some degree of stabilisation since 2009, and 2010 was characterised by reactions to and the aftermath of the financial crisis. While the world economy remained fragile during 2010, as evidenced by the European sovereign debt crisis in countries such as Greece, Ireland, Portugal and Spain, it generally performed better than in 2009. The macro-economic environment is the major driver of risk to SEB's earnings and financial stability, in particular, due to the effects on SEB's asset quality and its credit risk, the medium-term outlook for the global economy, which will be important to SEB's results of operations and financial condition, is mixed. Although the Nordic economies have proven to be robust, austerity measures in many countries have accentuated sovereign risk and created subdued economic growth, which could impact SEB's main markets. As a result, no assurance can be given that there will not be further negative effects on economic recovery or that sovereign risk will not adversely impact asset valuations. A return to weaker macro-economic conditions may lead to a further decline in net interest margins, credit quality and loan portfolio growth, as well as further corrections in prices of real estate and other property held as collateral for loans, which may lead to renewed large loan impairment charges. With most of its operating profit arising from its Merchant Banking division in 2009 and 2010, SEB's results of operation are particularly exposed to the risk of a downturn in the capital markets in general, and in SEB's wholesale and investment banking business in particular. SEB's performance may also be affected by future recovery rates on assets and the historical assumptions underlying asset recovery rates, which may no longer be accurate.

Similarly, in geographic terms, the Group's operations in Sweden accounted for a significant part of its operating profit in 2010 and 54% and 85% of its operating profits were attributable to Sweden and to Sweden and the other Nordic countries of Denmark, Finland and Norway in 2010, respectively. One particular risk in relation to the Swedish economy is the relatively large growth rate for home mortgage loans coupled with increasing home prices which suggest that at some stage in the future the Swedish housing market may experience the price adjustment that has occurred in most other comparable countries. There is also a risk that economic recovery in Sweden and the other Nordic countries will not be sustained. A sharp decline in real estate prices or a return to weak or negative economic growth in Sweden, the other Nordic countries or the other markets in which SEB operates, including the Baltic countries, could have a material adverse effect on SEB's results of operations, business, financial condition, liquidity and/or prospects.

The precise nature of all the risks and uncertainties SEB faces as a result of the global financial crisis and global economic outlook cannot be identified and many of these risks are outside SEB's control. Set out below is a summary of certain economic indicators in each of SEB's main markets. Although economic conditions in all these markets improved in 2010, no assurance can be given as to future economic conditions in any market or as to the sustainability of the improvement in any market. If economic conditions deteriorate or stagnate in any of its main markets, SEB's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

***Poor macro-economic conditions, in particular in the Baltic countries, adversely impacted SEB in 2009 and are likely to continue to do so***

The precise nature of all the risks and uncertainties SEB faces as a result of the global financial crises and global economic outlook cannot be identified and many of these risks are outside SEB's control.

### *Sweden*

The Swedish manufacturing sector in particular was adversely impacted by the international recession in 2009. Because of its major effect on the investment goods and vehicle industries, the downturn was larger in Sweden than in many other countries. This largely contributed to a 5.3% GDP decline in Sweden in 2009. A sharp depreciation in the value of the Swedish krona against the euro and the U.S. dollar during the autumn of 2008 and the spring of 2009 only marginally softened the impact of the international recession on Sweden. Due to a number of factors, however, secondary effects in the economy have been relatively small. Balance sheets in both the private sector and the public sector were strong when the global financial crisis began. Prior to the onset of the crisis, Sweden had recorded current account surpluses for a number of years. In addition, sovereign debt was relatively low at the start of the crisis and the Swedish government utilised the available room for an expansive fiscal policy during 2009 and 2010.

The resilience of the domestic economy mitigated the effects of this policy on the budget. According to the latest assessment by the National Institute of Economic Research, the public sector deficit was almost at balance in 2010 and is expected to return to surplus in 2011. Monetary policy was also used to mitigate the effects of the crisis in Sweden. The Swedish Riksbank gradually lowered its repo rate from 4.75% in early October 2008 to 0.25% in July 2009. The impact of this monetary policy on the economy was significant, reflecting the fact that the Swedish housing market is dominated by mortgage loans with short interest rate refixing periods. As a result, the Swedish economy resisted the recession relatively well and was well placed to benefit from the recovery in 2010. Household consumption recovered during 2010 and home prices increased after a brief decline during the crisis. The labour market also improved during 2010 following increasing unemployment in 2008 and part of 2009, which strengthened both domestic optimism and public finances. Reflecting these positive trends, growth forecasts were gradually adjusted upward during the year, and in March 2011 Statistics Sweden announced that the GDP increase for 2010 was 5.5% and the fourth quarter 2010 year-on-year increase was 7.3%.

The Swedish krona strengthened in 2010 as the Swedish Riksbank began increasing its repo rate in July 2010 from 0.25% to a level of 1.25% by the end of 2010. In February and April 2011, the repo rate increased to 1.50% and 1.75%, respectively.

Underlying inflation in Sweden remains relatively stable notwithstanding sharp fluctuations in output. Sweden's Consumer Price Index ("CPI") is, however, directly impacted by changes in interest rates and changes in commodity prices for energy and food. In 2008, average inflation in Sweden was 3.5%. In 2009, it was minus 0.3%. In 2010, average inflation was 1.3%, although the CPI increased late in the year as a result of increased interest rates and rising commodity prices. At the end of 2010, the CPI was 2.3%.

### *The other Nordic countries*

*Denmark:* Danish GDP declined by 5.2% in 2009 before recovering to grow by 2.1% in 2010. The improvement was driven by increased private consumption and strong inventory. Export growth was good in 2010 as Denmark benefited both from expansion in its most important markets, Germany and Sweden, and from improved competitiveness in the wake of currency depreciation and continued modest wage and salary growth.

Unemployment in Denmark is low compared to other European countries, being 4.0% in February 2011, according to national statistics. The Danish CPI rose from 1.4% in 2009 to 2.2% in 2010. Public sector debt is also comparatively low but, in part reflecting government support for Danish banks, it increased from 27% of GDP in 2007 to 44% in 2010, according to the European Commission's autumn forecast. The government budget deficit is comparatively large, however. To combat this, in 2010 the Danish government approved a three-year fiscal consolidation programme starting in 2011.

Large external surpluses have helped facilitate Denmark's fixed exchange rate policy against the euro. During 2009 and 2010, this enabled the Danish central bank to lower the spread between its key interest rate and that of the European Central Bank to 5 basis points in 2010 compared to historical levels of 20 to 25 basis points.

*Finland:* Finnish GDP declined by 8.2% in 2009 before recovering to grow by 3.1% in 2010. In 2009, Finland's large, cyclical manufacturing sector was squeezed both by weakening international demand and deteriorating competitiveness due to the strength of the euro. In particular, Finnish exporters were

constrained by the appreciation of the euro against the Swedish and Norwegian currencies. Inflation, according to the harmonised index of consumer prices, averaged 1.6% in Finland in 2009, higher than the euro zone average. According to Eurostat statistics, during most of 2010, inflation remained around 1.5%, but towards the end of the year it rose to 2.8% as a result of increasing energy and food prices. The Finnish economy benefits from a current account surplus and low public sector debt, with the government budget deficit being 3% of GDP during 2010, according to the European Commission's autumn forecast.

*Norway:* Norwegian GDP declined by 1.4% in 2009 before recovering to grow by 0.4% in 2010. A recovery in oil prices during 2009 and an expansive fiscal policy helped ease the downturn in Norway. In addition, the Norwegian krone weakened during the global financial crisis which helped to soften the impact of weakening demand for traditional exports. As a result, unemployment in Norway has remained at low levels despite the crisis, reaching 3.9% in mid 2010. Because of relatively high resource utilisation, the Norwegian central bank began to normalise its monetary policy during the autumn of 2009 which caused the Norwegian krone to strengthen against the euro in the second half of 2009 and the first half of 2010. Reflecting large surpluses in the current account and the central government budget, the Norwegian economy faces challenges that diverge from those elsewhere in the region. In particular, there is a risk that the central bank will need to increase interest rates more aggressively than the European Central Bank, the Bank of England and Sweden's Riksbank in order to avoid economic overheating. If so, the currency may appreciate in a way that creates imbalances and adversely affects traditional exports.

For so long as these challenging economic conditions persist, SEB's businesses in these countries and SEB's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

#### *Germany*

The German economy has been affected by weakening global economic conditions and the turmoil in the financial markets. Germany's GDP declined by 4.7% in 2009 before recovering to grow by 3.6% in 2010. Even though imbalances in savings and in the housing market were significantly less prominent than in certain other countries, such as the United States and the United Kingdom, the GDP decline in Germany was sharper, reflecting the large cyclical exposure of Germany's manufacturing sector. In addition, German exports were adversely affected by the relatively high value of the euro against the U.S. dollar and the British pound.

Interest rate cuts by the European Central Bank and a relatively expansive fiscal policy have helped to ease the impact of the recession on the domestic economy in Germany. Strong balance sheets in the private sector have also served as a stabilising factor. Largely due to private saving, Germany showed a current account surplus in 2009 equivalent to 5% of GDP despite growing public sector deficits. An upturn in unemployment was mitigated by government allowances for shortened working hours being offered to the private sector.

In 2010, the German economy benefited from a competitive manufacturing sector. The labour market also recovered during the year, with rising employment and a falling jobless rate.

Germany's low inflation rate (which amounted to 0.2% in 2009 and 1.2% in 2010 according to Eurostat) and relatively moderate budget deficits compared to other large industrialised countries have helped keep interest rates low even in long maturities.

For so long as these poor conditions persist, SEB's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

#### *The Baltic countries*

After a period of overheating, with rising macroeconomic imbalances, economic conditions in the Baltic countries deteriorated sharply during 2009, accompanied by falling household and business confidence. The slowdown was driven by a decrease in private consumption and investment spending.

Estonia's GDP declined by 19.0% in aggregate during 2008 and 2009. Latvia's GDP declined by 22.6% in aggregate in 2008 and 2009. Lithuania's GDP grew by 2.8% in 2008 before declining by 14.7% in 2009. These downturns reflected the fact that the global credit crisis and subsequent recession coincided with



domestic credit tightening, internal devaluations and tough fiscal austerity after earlier economic overheating.

The GDP of all three Baltic countries grew in 2010. In the case of Estonia and Lithuania, growth in annual terms commenced during the second quarter and, in Latvia, growth commenced during the third quarter of 2010. According to official data for 2010, GDP grew by 3.1% in Estonia and by 1.3% in Lithuania whilst Latvia's GDP declined by 0.3% in 2010.

The European Commission's monthly forward-looking sentiment survey improved in the Baltic countries during 2010, reflecting the trend for the euro zone as a whole. Declines in the Baltic indices reversed in the spring of 2009. In March 2011, the index stood at 110.8 in Estonia, 106.6 in Lithuania and 102.9 in Latvia, compared to 107.3 for the euro zone as a whole. A survey level of 100 is the historical average.

The recovery in the Baltic countries has largely been driven by strong exports. During the fourth quarter of 2010, year-on-year export growth in the Baltic countries was between 14% and 36%, with Estonia showing the strongest growth. These improvements reflect both improved competitiveness, following total wage and salary cuts of between 10% and 20% between 2008 and 2010, and a favourable geographic position. In addition, a number of the Baltic countries' major export markets, such as Russia, Germany, Sweden, Finland and Poland, also grew in 2010.

Domestic demand in the Baltics remains limited as households and businesses continue to be affected by internal devaluations and tough public budget austerity. Private wages and salaries began to increase in the second half of 2010, although public sector pay remained depressed, with freezes written into 2011 public budgets. The austerity policies have eased in Estonia and Lithuania, but, according to its national budget adopted in December 2010, Latvia will continue to tighten its fiscal policy during 2011.

Capital spending by companies in the Baltic countries remained weak in 2010 although investment indicators rose during the year and are currently indicating an increase in capital spending. Capacity utilisation in the manufacturing sector increased during 2010 and house prices gradually increased after significant price declines in previous years.

Private consumption in the Baltic countries started to recover from the summer of 2010, although the recovery was weak. Retail sales volume rose but is still low in historical terms. Household consumption was helped by continued low interest rates but hampered by fiscal tightening, weak income growth, debt adjustments and high, although decreasing, unemployment. According to official data, unemployment peaked at around 20% in the first half of 2010 and fell to between 14% and 17% in the fourth quarter of 2010.

Measured as annual averages, inflation peaked in 2008 at 10.6% in Estonia, 15.3% in Latvia and 11.1% in Lithuania. Thereafter inflation fell as a result of deflationary pressure in all three countries. During 2009 as a whole, average annual inflation in Estonia fell to 0.2% and, in 2010, Latvia became the only Baltic country to show average annual deflation. During 2010, higher energy and food prices, as well as increased value-added and excise taxes, created inflationary pressures in all three Baltic countries. Measured as annual averages, in 2010 inflation in Estonia and Lithuania was 2.8% and 1.2%, respectively, while deflation in Latvia was 1.2%.

Current account deficits as a share of GDP peaked in 2007 at 17.2% in Estonia, 22.3% in Latvia and 14.5% in Lithuania. During 2009, the current account in all three countries shifted into surplus reflecting a combination of lower trade deficits and shifts in the earnings of foreign-owned banks and companies. During 2010, the current account surpluses were lower than in 2009.

On the fiscal side, for 2010, Estonia reported a general government sector surplus of 0.1% of GDP, whilst Lithuania and Latvia showed deficits of 7.1% of GDP and 7.7% of GDP, respectively.

Latvia's budget has met the requirements stipulated by the European Union and the International Monetary Fund in their international loan package. This programme, totalling EUR 7.5 billion, runs from December 2008 to December 2011 and EUR 4.4 billion has been disbursed. The Latvian government's announced intention is to utilise an additional EUR 0.7 billion in 2011.

In 2010, the financial markets' confidence in the Baltic countries increased, following nervousness about possible devaluations in 2009. The prices of five-year credit default swap contracts on sovereign debt in

these countries has fallen despite sovereign instability elsewhere in Europe. Clearer signs of economic recovery in each country, continued budget discipline and Estonia's euro zone accession on January 1, 2011 have all contributed to downward adjustments of Baltic currency risks. Latvia and Lithuania have both announced their aim for euro zone membership in 2014.

In 2008, 11% of SEB's operating profit was generated from its activities in the Baltic countries. In 2009, SEB's operations in the Baltic countries recorded significant operating losses as the sharp reduction of economic growth and continued economic imbalances in these countries, together with higher past due payments on loans during 2008 and 2009, reflected, or gave rise to, increasing asset quality problems in that region.

These factors resulted in significant increases in net provisions and credit losses in relation to SEB's loan portfolio in the Baltic countries in 2009.

Reflecting the improving economic conditions in 2010, SEB's non-performing loan volumes started to fall in 2010 in each of the Baltic countries but still amounted to SEK 15.9 billion in aggregate for all three Baltic states at December 31, 2010.

Although the economies of the Baltic countries may have bottomed out, they remain weak and it is expected that it will be some time before these countries return to the growth levels experienced prior to 2008. Even if macroeconomic imbalances improve, there is a risk that the Baltic region will experience continued financial difficulties. Slower growth could also lead to increased budget deficits, and such deficits, together with high inflation, could prevent one or more of the Baltic countries from meeting accession criteria for adoption of the euro for several years. There is also a risk of devaluation, despite a strong commitment from local governments to the exchange rate pegs, due to the high macroeconomic imbalances and the recession. Devaluations could negatively impact these countries' economies. In addition, as a large part of lending in the Baltic region is denominated in euro, a devaluation would also increase SEB's immediate credit risk and have a negative impact on the financial and real estate markets, which in turn would have a material adverse effect on SEB's business, financial condition and results of operations in the Baltic region and on a consolidated basis.

### ***SEB remains exposed to the risk of increased credit provisioning***

SEB is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. SEB continuously reviews and analyses its loan portfolio and credit risks and, in view of deteriorating conditions from late 2007, this work intensified in 2008 and 2009. In 2009, SEB recorded material net provisions and credit losses. Although SEB's net provisions and credit losses reduced significantly in 2010 compared to 2009, the uncertainty as to the magnitude of any potential economic recovery makes it difficult to estimate the size of SEB's future provisioning requirements and loan losses.

A significant increase in the size of SEB's allowance for loan losses could have a material adverse effect on its financial position and results of operations. SEB's allowance for losses on loans is based on, among other things, its analysis of current and historical delinquency rates and loan management, its customers' likely repayment capacity and the valuation of the underlying assets, as well as numerous other management assumptions. These internal analyses and assumptions may give rise to inaccurate predictions of credit performance. Due to worsening economic conditions in 2008 and 2009, SEB experienced a material increase of impaired loans and provisions for potential credit losses in its loan books. This was particularly apparent in SEB's business in the Baltic countries in 2009. In addition to the high levels of net provisions and credit losses in the Baltic countries which constituted 48 per cent. of SEB's total net provisions and credit losses in the year ended 31st December, 2010 (as discussed below), such additional net provisions and credit losses were primarily attributable to the Merchant Banking and Retail Sweden operations

SEB maintains provisions for loan losses aimed at covering estimated probable incurred credit losses inherent in its loan portfolio. SEB's net provisions and credit losses for the total operations amounted to SEK 2,198 million or a credit loss level of 0.14 per cent. For the year ended 31st December, 2010 compared to SEK 12,448 million or a credit loss level of 0.92 per cent. for the year ended 31st December, 2009 and SEK 3,268 million or a credit loss ratio of 0.30 per cent. for the year ended 31st December, 2008.

Net provisions and credit losses in relation to SEB's loan portfolio in the Baltic countries rose during 2008 and, in particular, during 2009 and SEB's build-up of net provisions in relation to its credit exposure in that region was SEK 759 million as of 31st December, 2010 compared to SEK 8,952 million as of 31st December, 2009 and SEK 1,734 million as of 31st December, 2008.

SEB's net provisions and credit losses amounted to a net release of provisions of SEK 537 million or a credit loss level of -0.17% for the three months ended 31st March, 2011 compared to net provisions and credit losses of SEK 1,813 million, or a credit loss level of 0.50%, for the three months ended 31st March, 2010. Net provisions and credit losses in relation to SEB's portfolio in the Baltic countries amounted to a net release of provisions of SEK 572 million, or a credit loss level of -2.11%, as of 31st March, 2011.

SEB's non-performing loan volumes started to fall during 2010 in all three Baltic countries but still amounted to SEK 15.0 billion at 31st March, 2011. At 31st March, 2011, SEB's lending to the public in Estonia, Latvia and Lithuania amounted to SEK 110 billion (9.5% of SEB's total loan portfolio). Corporate loans accounted for 34% of SEB's total Baltic lending at 31st March, 2011, property management loans for 19% and household loans for 43%. The Baltic loan portfolio included a total of SEK 9.9 billion in impaired loans at 31st March, 2011, and provisions in respect of the Baltic portfolio amounted to SEK 6.3 billion at the same date, corresponding to a total reserve ratio of 64%.

A material increase in loan losses would have a material adverse effect on SEB's financial condition and results of operations. In addition, a devaluation or depreciation of the currency in any of the Baltic countries would likely lead to further loan losses. See "*—SEB is exposed to foreign exchange risk, and a devaluation or depreciation of any of the currencies in which it operates could have a material adverse effect on its assets, including its loan portfolio, and its results of operations*".

#### ***SEB is exposed to declining property values on the collateral supporting residential and commercial real estate lending***

SEB's total credit portfolio at 31st March, 2011 was SEK 1,639 billion, of which household mortgage lending amounted to 26.5 per cent., or SEK 434 billion (of which SEK 309 billion, or 18.8 per cent. of the total credit portfolio, was mortgage lending in Sweden), and property management lending amounted to 15.6 per cent., or SEK 255 billion (of which SEK 143 billion, or 8.7 per cent. of the total credit portfolio, was commercial real estate lending and SEK 113 billion, or 6.9 per cent. of the total credit portfolio, was multi-family housing lending), most of which was in SEB's Swedish and German markets with a relatively smaller portion in the Baltic countries. Residential property prices and commercial property prices in SEB's core markets, and particularly in the Baltic countries, declined during 2008 and 2009, reflecting economic downturns and uncertainty, reduced affordability and lower availability of credit. These factors also led to a significant slowdown in the construction sector in these countries. Improving economic conditions in the Baltic countries in 2010 resulted in price stabilisation and the return of limited liquidity which ended a contraction in the residential mortgage and commercial lending market, although there can be no assurance that this stabilisation of liquidity will continue.

SEB applies a cash-flow based credit policy that considers the repayment capacity of the customer when extending credit. This policy also applies to all lending backed by residential or commercial real estate. Any economic downturn in the Nordic and Baltic regions as well as in Germany, with falls in house prices and increases in unemployment, could adversely affect SEB's commercial property lending portfolio and household mortgage portfolio and generate increases in impairment losses, which could materially affect SEB's financial condition and results of operations. In addition, the effects of declining property values on the wider economy are likely to also contribute to higher default rates and impairment losses on non-property commercial and consumer loans.

In addition, declining residential property values in Sweden may also have a material adverse effect on SEB's ability to issue covered bonds.

#### ***Market fluctuations and volatility may adversely affect the value of SEB's positions, reduce its business activities and make it more difficult to assess the fair value of certain of its assets***

During most of 2008 and the first half of 2009 financial markets were subject to significant stress conditions, where steep falls in perceived or actual asset values were accompanied by a severe reduction in market liquidity. These events affected the prices of bonds, equities and other securities that SEB holds

including, in particular, most asset-backed securities, and resulted in a reallocation of assets from equity to fixed-income products, low growth in mutual and other funds managed by SEB and lower performance fees. In dislocated markets, hedging and other risk management strategies have proven not to be as effective as they are in normal market conditions due in part to the decreasing credit quality of hedge counterparties, including credit derivative product companies. Severe market events negatively affected the value of SEB's fixed-income securities portfolio in 2008, affecting SEB's results of operations during that year. Valuation losses on the Merchant Banking division's bond investment portfolio amounted to SEK 3,976 million in 2008. In 2009, reflecting recovering markets, SEB recorded valuation gains of SEK 928 million on its bond investment portfolio. However, due to the market's perception of increased sovereign risk and ensuing market volatility, in particular in the second and fourth quarters of 2010, SEB experienced a valuation loss of SEK 216 million on its bond investment portfolio in 2010 as asset values on certain European countries' government bonds and financial institutions' covered bonds held by SEB were adversely affected. Valuations in future periods, reflecting then-prevailing market conditions, may result in significant changes in the fair values of the Group's exposure, even in respect of exposures, such as credit market exposures, for which the Group has previously recorded valuation losses. In addition, the value ultimately realised by SEB may be materially different from the current or estimated fair value. Any of these factors could require SEB to recognise further valuation losses or realise impairment charges, any of which may adversely affect its business, financial condition, results of operations, liquidity and prospects.

In addition, SEB's estimates of fair value may differ materially both from similar estimates made by other financial institutions and from the values that would have been used if a market for these assets had been readily available. An increase in volatility increases SEB's measured risk, and any change in the fair values of the financial instruments could have a material adverse effect on SEB's financial position and results of operations. Any of those developments may cause SEB to reduce its asset holdings or to reduce its business activities.

***SEB is subject to the risk that liquidity may not always be readily available***

Liquidity risk is the risk that a bank will be unable to meet its obligations, including funding commitments, as they fall due. This risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. The capital and credit markets experienced extreme volatility since the financial crisis began. In the second half of 2008, the volatility reached unprecedented levels, which carried over into the first half of 2009, and had a material adverse effect on access to funding in both the public and private markets and, in certain cases, resulted in significant liquidity problems for financial institutions which gave rise to a requirement for unprecedented financial assistance from governments and central banks. While financial markets began to recover during 2009 and 2010, beginning in the spring of 2010 and throughout the remainder of the year, the financial markets were volatile largely due to the European sovereign debt crisis, and the cost to SEB of accessing traditional sources of liquidity continues to be higher than in the periods before the financial crisis.

SEB's liquidity management focuses on maintaining a diverse and appropriate funding strategy for its operations, controlling the diversity of its funding, monitoring and managing the maturity dates of its debts and carefully monitoring its undrawn commitments and contingent liabilities toward customers. However, even a perception among market participants that a financial institution is experiencing greater liquidity risk can cause significant damage to the institution. If SEB's short-term funding sources become volatile or are unavailable, SEB would be required to utilise other, more expensive sources to meet its funding needs, such as collateralised borrowing or asset sales. SEB's ability to sell assets at a commercially desirable price or at all may be impaired if other market participants are seeking to sell similar assets at the same time or are not in the position to finance themselves, or when the market value of assets, including financial instruments underlying derivative transactions to which SEB is a party, is difficult to ascertain, as occurred at certain times during the global financial crisis. In addition, financial institutions with which SEB interacts may exercise set-off rights or rights to require additional collateral. Any of these or other events could impair SEB's access to liquidity.

As of 31st March, 2011, the amount of outstanding long-term bonds scheduled to mature within one year and require refinancing was SEK 66 billion, excluding public covered bonds issued by SEB AG. Within two and three years, from 31st March 2011, additional amounts scheduled to mature are SEK 66 billion and SEK 52 billion respectively. Future disruptions, uncertainty or volatility in the capital and credit markets could limit SEB's ability to refinance maturing liabilities with long-term funding. The availability to SEB of any additional financing it may need will depend on a variety of factors, such as market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, particularly in light of the significant refinancing needs of European financial institutions over the next few years, the volume of trading activities, SEB's financial condition, its credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of SEB's financial prospects if, for example, SEB incurs large losses, experiences significant deposit outflows or if the level of SEB's business activity decreases due to a market downturn. In particular, SEB's access to funds may be impaired if regulatory authorities or rating agencies impose additional regulatory capital requirements or downgrade SEB's debt ratings. SEB's internal sources of liquidity may prove to be insufficient, and in such case, SEB may not be able to successfully obtain additional financing on favourable terms or at all. Any of these developments may limit SEB's ability to raise additional capital to support business growth or to counterbalance the consequence of losses or increased regulatory capital requirements, and could have a material adverse effect on SEB's business, financial condition, results of operations, liquidity and prospects.

In addition, like many banks, SEB relies on customer deposits to meet a substantial portion of its funding requirements. Such deposits are subject to fluctuation due to certain factors outside SEB's control, such as any possible loss of confidence and competitive pressures, which could result in a significant outflow of deposits within a short period of time. Any material decrease in SEB's deposits could have a negative impact on SEB's liquidity unless corresponding actions are taken to improve the liquidity profile of other deposits or to reduce less liquid assets.

***SEB's borrowing costs and its access to the debt capital markets depend significantly on its credit ratings***

SEB's credit ratings are important to its business. In February 2009, S&P downgraded SEB's long-term credit rating from A+ (with negative outlook) to A (with stable outlook) and then adjusted the outlook to negative in March 2009. In April 2009, Moody's lowered SEB's rating from Aa2 to A1 (with negative outlook). In December 2009, Moody's confirmed its A1 rating (with negative outlook).

In February 2010, S&P returned its outlook to stable and affirmed SEB's long-term credit rating of A. S&P also increased SEB's stand-alone rating (that is, a rating which does not take into account implicit government support) from bbb+ to a- in February 2010 and to a in March 2011. In 2010, Moody's changed its outlook from negative to stable and affirmed the long-term A1 rating. The main reasons given for these changes were SEB's resilient earnings in 2009, strong asset quality in its Nordic operations and an improving macro-economic situation in the Baltic countries during 2010.

In June 2009 and September 2010, Fitch affirmed its A+ rating for SEB (with stable outlook). Fitch also increased SEB's stand-alone rating from B/C to B in September 2010.

Declines in those aspects of SEB's business identified by the rating agencies or otherwise could adversely affect the rating agencies' perception of SEB's credit and cause them to take negative ratings actions. Any downgrade in SEB's credit ratings could adversely affect its liquidity and competitive position, undermine confidence in SEB, increase its borrowing costs, limit its access to the capital markets, or limit the range of counterparties willing to enter into transactions with SEB. SEB's credit ratings are subject to change and could be downgraded as a result of many factors, including the failure of SEB to successfully implement its strategies. A downgrade of SEB's credit ratings could also lead to a loss of customers and counterparties which could have a material adverse effect on its business, results of operations and financial condition.

***SEB could be negatively affected by the soundness or the perceived soundness of other financial institutions and counterparties***

Given the high level of interdependence between financial institutions, SEB is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of

other financial services institutions. This is particularly relevant to SEB's franchise as an important and large counterparty in equity, fixed-income and foreign exchange markets, including related derivatives, which exposes it to concentration risk. Within the financial services industry the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, as was the case after the bankruptcy of Lehman Brothers in 2008, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by SEB or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom SEB interacts on a daily basis. Included in credit risk is also the risk of losses when a country encounters financial difficulties or losses because of political decisions on nationalisation and expropriation, or if a specific country's credit rating is revised downwards or there is an expectation of a potential downgrade. Systemic risk could have a material adverse effect on SEB's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

SEB routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, insurance companies and other institutional clients, resulting in large daily settlement amounts and significant credit exposure. As a result, SEB faces concentration risk with respect to specific counterparties and customers. A default by, or even concerns about the creditworthiness of, one or more financial services institutions could therefore lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions.

In addition, SEB is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations SEB holds could result in losses and/or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of SEB's counterparties could also have a negative impact on SEB's income and risk weighting, leading to increased capital requirements. While in many cases SEB is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral SEB is entitled to receive and the value of pledged assets. SEB's credit risk may also be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to SEB, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those experienced in 2008 and the first half of 2009. The termination of contracts and the foreclosure on collateral may subject SEB to claims for the improper exercise of its rights. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Any of these developments or losses could materially and adversely affect SEB's business, financial condition, results of operations, liquidity and/or prospects.

***SEB may be subject to increased capital requirements or standards due to new governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may also need additional capital in the future due to worsening economic conditions, which capital may be difficult to obtain***

Regulation and supervision of the global financial system remains a priority for governments and supranational organisations. Following the global financial crisis and the increased loan losses and asset quality impairment financial institutions experienced as a result, governments in the markets in which SEB operates are likely to increase the minimum capital requirements for SEB's operations.

At the international level, a number of initiatives are being implemented with the aim of increasing capital requirements, increasing the quantity and quality of capital and raising liquidity levels in the banking sector. Among these are a number of specific measures proposed by the European Union to tighten regulations with effect from the end of 2010 and the end of 2011. The proposals include stricter

rules on Tier 1 hybrid securities and large exposures as well as higher capital requirements for securitisations and positions within trading books.

The Basel Committee on Banking Supervision (the **Basel Committee**) issued a comprehensive set of reform measures in December 2010 (Basel III). The aim of the framework is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, improve risk management and governance and strengthen banks' transparency and disclosures. The framework raises both the quality and quantity of the capital base and increases capital requirements for certain positions. The minimum requirements for capital will be underpinned by a leverage ratio that serves as a backstop to the risk-based capital measures. In addition to the minimum requirements, there will also be buffer requirements in the form of both a capital conservation buffer and a countercyclical capital buffer. The framework also introduces internationally harmonised minimum requirements for liquidity risk. Important additions to the framework are expected from the Basel Committee, including increased requirements for systemically important banks, bail-in of debt and the role of contingent capital. As a result, the regulatory framework in the future is expected to be very different from the current one and the changes could have a material impact on SEB's business.

For the foregoing reasons, SEB may need to obtain 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. SEB is unable to predict what regulatory requirements may be imposed in the future or accurately estimate the impact that any currently proposed regulatory changes may have on its business, the products and services that it offers and the values of its assets. For example, if SEB is required to make additional provisions, increase its reserves or capital, or exit or change certain businesses as a result of the initiatives to strengthen the regulation of banks, this could adversely affect its results of operations or financial condition.

#### ***Effective management of SEB's capital is critical to its ability to operate and grow its business***

Effective management of SEB's capital is critical to its ability to operate and grow its business and to pursue its strategy. SEB is required by regulators in Sweden and in other jurisdictions in which it undertakes regulated activities to maintain adequate capital. SEB seeks to mitigate the risk of not meeting capital adequacy requirements by careful management of its balance sheet and capital, through capital raising activities, disciplined capital allocation and currency hedging of investments in foreign subsidiaries. However, any change that limits SEB's ability to effectively manage its balance sheet and capital resources (including, for example, reductions in profits and retained earnings as a result of credit losses, write-downs or otherwise, increases in risk weighted assets (which are pro-cyclical under Basel II, resulting in risk weighting increasing in economic downturns), delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions or otherwise) could have a material adverse impact on its business, financial condition, results of operations, liquidity and/or prospects.

#### ***Volatility in interest rates has affected and will continue to affect SEB's business***

SEB generally relies on deposits for a significant portion of its funds, which funding is low-cost to SEB due to the relatively low rates paid, in particular in current accounts. SEB's overall net interest margin, which is the difference between the yield on its interest-bearing assets and the cost of its interest-bearing liabilities, varies according to prevailing interest rates and is a significant factor in determining SEB's profitability. Net interest margins, particularly deposit margins, tend to get compressed in a low interest rate environment. Reductions in interest rates or compression of the interest rate spread may result in a decrease in the amount of net interest income generated by SEB and in its net interest margin.

Interest rates are highly sensitive to many factors beyond SEB's control, including fiscal and monetary policies of governments and central banks in the jurisdictions in which SEB operates, which are unpredictable in nature. For example, central banks have reduced interest rates to record lows and interest rates remained low throughout 2010 in many countries. In Sweden, the Swedish Riksbank lowered its repo rate in stages from 4.75 per cent. in the last quarter of 2008 to 0.25 per cent. in July 2009, where it remained unchanged until July 2010. Since then, the Swedish Riksbank has gradually increased the repo rate to its current level of 1.75 per cent. Although increasing interest rates have improved SEB's net interest rate margin on deposits, its deposit margins remain compressed due to the continuing low level of interest rates.

While SEB has implemented risk management methods to mitigate and control the interest rate risks to which it is exposed, and while certain changes in interest rates may be beneficial for SEB's business if they reduce its cost of funding, it is difficult to predict with accuracy changes in economic or financial market conditions and to anticipate the effects that such changes could have on SEB's business, financial condition, results of operations, liquidity and/or prospects.

***SEB is exposed to foreign exchange risk, and a devaluation or depreciation of any of the currencies in which it operates could have a material adverse effect on its assets, including its loan portfolio, and its results of operations***

A substantial portion of loans made by SEB are denominated in currencies other than SEK. A devaluation or depreciation of any such currencies other than SEK in which SEB operates or in which it has loan exposure may require it to take an impairment charge. Further, SEB may incur net provisions and credit losses as certain borrowers may be exposed to interest payments on loans in foreign currencies while having income in local currencies. For example, in the Baltic countries, a large part of lending is denominated in euro while customers in the region typically derive their main income in local currencies (from 1st January, 2011 Estonia has adopted the euro as its local currency). A significant devaluation or depreciation of the relevant local currency against the euro would make it more difficult for these customers to repay their loans, and the credit risk associated with these customers and default rates could increase. In addition, such an event could cause adverse foreign exchange effects on SEB's income statement and equity. SEB's results of operations and financial condition, expressed in SEK, would also be adversely affected by the relative weakness of the currency of any other country in which it operates compared to the SEK.

Conversely, a depreciation of SEK against other currencies in which loans are made to customers would result in an increase in SEB's loan portfolio, resulting in growth in risk weighted assets and a negative impact on capital ratios. In 2010 and 2009, SEB's risk-weighted assets (calculated according to Basel II) decreased by 2 per cent., 11 per cent., respectively partly due to an appreciation of the SEK against the U.S. dollar and the euro.

Notwithstanding SEB's actions to reduce currency risk, exchange rate movements between the SEK, the euro, the Danish krone, the U.S. dollar, the Latvian lat and the Lithuanian litas could have a significant effect on SEB's balance sheet positions and, over the long-term, its results of operations, which are stated in SEK.

***SEB is subject to a wide variety of banking, insurance and financial services laws and regulations, which could have an adverse effect on its business***

SEB is subject to a wide variety of banking, insurance and financial services laws and regulations and faces the risk of significant interventions by a number of regulatory and enforcement authorities in each of the jurisdictions in which it operates. As a result, SEB is exposed to many forms of risk (including legal risk) which could have an adverse effect on its business, and which may arise in a number of ways, primarily:

- changes in the monetary, interest rate, capital adequacy and other policies of central banks and regulatory authorities;
- changes in laws and regulations or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which SEB operates or may increase the costs of doing business in those markets;
- changes in regulatory requirements, such as prudential rules relating to the capital adequacy framework and the imposition of onerous compliance obligations; restrictions on business growth or pricing and requirements to operate in a way that prioritises objectives other than shareholder value creation;
- changes to financial reporting standards;
- changes in competition and pricing environments, such as harmonisation of card payment interchange fees;



- differentiation among financial institutions by governments with respect to the extension of guarantees to bank customer deposits and the terms attaching to such guarantees, including requirements for the entire Group to accept exposure to the risk of any individual member of the Group, or third-party participants in guarantee schemes, failing;
- implementation of, or costs related to, local customer or depositor compensation or reimbursement schemes;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to ownership; and
- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty that, in turn, may affect demand for SEB's products and services.

Regulation of financial markets has changed as a result of government intervention, including nationalisations and partial nationalisations in the United States, the United Kingdom and a number of other European countries during 2008 and 2009 and the perception that one of the causes of the financial crisis is attributable in part to the failure of regulatory structures. SEB is facing greater regulation in the jurisdictions in which it operates. Compliance with such regulations may increase SEB's capital requirements, expose it to additional costs and liabilities, and require it to change how it conducts its business, including the reduction of risk and leverage of certain activities, or otherwise have an adverse impact on its business, the products and services it offers and the value of its assets. Examples of new regulations which will impact SEB include the new Basel III framework. In addition, SEB's life insurance companies will be affected by new European Union solvency requirements.

SEB operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks. As a result, SEB may become involved in various disputes and legal proceedings in Sweden and other jurisdictions, including litigation and regulatory investigations. These disputes and legal proceedings are subject to many uncertainties, and their outcomes are often difficult to predict, particularly in the earlier stages of a case or investigation. Adverse regulatory action or adverse judgments in litigation could result in fines or in restrictions or limitations on SEB's operations, any of which could result in a material adverse effect on its reputation or financial condition. In addition, any determination by local regulators that SEB has not acted in compliance with applicable local laws in a particular market, or any failure to develop effective working relationships with local regulators, could have a significant and negative effect not only on SEB's businesses in that market but also on its reputation generally.

***SEB operates in competitive markets that may consolidate further, which could have an adverse effect on its financial condition and results of operations***

SEB is subject to significant competition in the markets in which it operates. Competition may increase in some or all of SEB's markets as a result of legislative, regulatory, technological or other factors. Increased competition could cause SEB to lose business or compel it to price products and services on less advantageous terms, or otherwise have an adverse effect on its business, financial condition, results of operations and prospects. Consolidation among banking institutions in the United Kingdom, the United States and Europe, in part due to the financial crisis, has changed the competitive landscape for banks and other financial institutions. This consolidation may extend into SEB's principal geographic markets, including Sweden, and could increase competitive pressures on SEB. In addition to the effects of consolidation, increased government ownership of, and involvement in, the financial sector generally may have an impact on the competitive landscape in the principal markets in which SEB operates and on the way in which banks in those markets conduct their operations. At present, however, it is difficult to predict what the effects of this increased government ownership and involvement will be or how it will differ from jurisdiction to jurisdiction. Although SEB believes its businesses are well suited to compete effectively in such an environment, it may experience stronger competition for corporate, institutional and retail clients and increased pressure on profit margins as well as other pricing pressures on its products and services, particularly as competitors seek to build their market share, which may harm SEB's ability to maintain or increase profitability. These and other changes in the competitive landscape could adversely affect SEB's business, financial condition, results of operations, liquidity, markets and prospects.

***Conflicts of interest, whether actual or perceived, and fraudulent actions may negatively impact SEB***

As SEB expands the scope of its businesses and its client base, it increasingly has to implement policies on corporate governance on a group-wide level and address potential conflicts of interest, including situations where SEB's services to a particular client or its own proprietary investments or other interests conflict, or are perceived to conflict, with the interests of another client, as well as situations where one or more of SEB's businesses have access to material non-public information that may not be shared with other businesses within the Group. SEB has procedures and controls that are designed to identify and address conflicts of interest, including those designed to prevent the improper sharing of information among its businesses. Appropriately identifying and dealing with conflicts of interest is complex, in part because internal breaches of policy can be difficult to discover. SEB's reputation may be damaged, and the willingness of clients to enter into transactions in which such a conflict might arise may be affected, if SEB fails, or appears to fail, to identify and deal appropriately with conflicts of interest. In addition, many financial institutions, including SEB, may be negatively impacted by fraudulent acts or violations of internal instructions committed by their own employees. SEB cannot predict whether such instances of internal fraud will occur or, if they were to occur, the extent to which these acts would negatively impact it.

***SEB's life insurance business is subject to risks involving declining market values of assets related to its unit-linked business and traditional portfolios and inherent insurance risks***

SEB's traditional life insurance business is subject to the risk of declines in the market values of its asset portfolios. The effect of declining market values on the unit-linked business is declining income, as a significant portion of the fee income from unit-linked policies is related to the value of assets under management. SEB's traditional life insurance business is also subject to the risk of falling long-term interest rates, as its traditional insurance contracts guarantee specified benefits to the policyholder at maturity. SEB's traditional life insurance business is mainly written in Denmark and Sweden, with the Danish business representing close to 90 per cent. of SEB's total traditional life insurance business's assets under management (excluding the traditional life insurance business in Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (**Gamla Liv**)). In the Danish business, buffer funds built up by the policyholders absorb short-term fluctuations in investment returns, and interest rates and the bonus allocated to policyholders year-by-year can also be reduced during a single year to further build up buffer capital. Nevertheless, SEB bears the ultimate risk if investment returns over time are not sufficient to service the guarantees given to policyholders and no assurance can be given that if investment returns remain depressed for extended periods that additional reserves may not need to be established. In Sweden, the excess capital in the traditional portfolios of Fondförsäkringsaktiebolaget SEB Trygg Liv has been exhausted and, in 2008, SEB was required to make a provision to cover the shortfall. Although this provision was substantially recovered in 2009 and 2010 as investment returns improved during the year, there can be no assurance that further provisions to cover such shortfalls may not be required in the future.

In addition, SEB's life insurance business inherently faces the risk of volatility in the amount and timing of claims caused by unexpected changes in mortality, longevity, morbidity and expenses. Mortality risk is the risk of deviations in timing and amounts of cash flows (premiums and benefits) due to the incidence or non-incidence of death. Longevity risk is the risk of such deviations due to increasing life expectancy trends among policyholders and pensioners, resulting in payout ratios higher than what the insurance company originally accounted for. Morbidity risk is the risk of deviations in timing and amount of cash flows (such as claims) due to the incidence or non-incidence of disability and sickness. These insurance risks are mainly related to the traditional business. A material change in relation to any of these insurance risks or the inability of SEB to successfully manage these risks could materially and adversely affect SEB's business, financial condition, results of operations, liquidity and/or prospects.

***Fraud, credit losses and delinquencies, as well as regulatory changes affect SEB's card business***

SEB operates a card business primarily in the Nordic countries and faces the risk of reduction of earnings and credit losses from this business due to fraud and delinquencies. With the exception of 2009 and 2010, fraud losses have risen in recent periods, principally due to counterfeit and internet fraud, especially following more frequent travelling by card holders. In 2009 and 2010, fraud losses decreased reflecting

enhanced monitoring procedures implemented by SEB. Fraud losses are generally higher in the corporate card sector (due to the higher extent of international travel among corporate card users), which forms a significant part of SEB's card business. Although SEB has instituted increased monitoring procedures to protect against incidents of fraud, there can be no assurance that fraudulent incidents will not increase again in the future. Further, high delinquency rates in payments by customers on cards and high credit loss rates result in increases in credit loss provisions and write-offs as well as increases in costs due to larger collection and monitoring costs. These may have a negative effect on SEB's financial performance. Changes in consumer behaviour due to economic conditions could also cause a reduction in consumer demand and spending. If accountholders carry reduced balances or fail to pay their balances due to effects of adverse economic conditions, interest and fee income could decline, credit losses could increase, and SEB's performance could be negatively affected.

SEB's card business is also subject to new and changing regulations, the Single Euro Payments Area initiative, interchange fees, anti-money laundering and know-your-customer regulations. These regulations impose additional compliance procedures and information requirements for customers and are likely to result in increased regulation in this business area within the European Union, and may lead to higher costs, pressure on fees and reduced earnings.

***SEB's guidelines and policies for risk management may prove inadequate for the risks faced by its businesses***

The management of business, regulatory and legal risks requires, *inter alia*, guidelines and policies for the accurate identification and control of a large number of transactions and events. Such guidelines and policies may not always be adequate. Some of the measures taken by SEB to manage various risks are to enter into hedging transactions to manage market risks, to issue credit risk limits for each counterparty to which SEB is exposed in its lending business, to have sufficient security for credits provided, and to do customary due diligence to manage legal risks. Some of these and other methods used by SEB to manage, estimate and measure risk, such as value-at-risk (**VaR**) analyses, are based on historic market behaviour. The methods may therefore prove to be inadequate for predicting future risk exposure, which may prove to be significantly greater than what is suggested by historic experience. Historical data may also not adequately allow prediction of circumstances arising due to the government interventions and stimulus packages under consideration, which increase the difficulty of evaluating risks. 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 SEB. Such information may not always be correct, updated or correctly evaluated.

***Weaknesses or failures in SEB's internal processes and procedures and other operational risks could have a negative impact on its financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage***

SEB's businesses are dependent on their ability to process and report accurately and efficiently a high volume of complex transactions across numerous and diverse products and services, in different currencies and subject to a number of different legal and regulatory regimes. Operational risks are present in SEB's businesses, through inadequate or defective internal processes (including financial reporting and risk monitoring processes) or from people-related events (including the risk of fraud and other criminal acts carried out against SEB, errors by employees and failure to document transactions properly or obtain proper authorisation) or external events (including natural disasters or the failure of external systems). There can be no assurance that the risk-controls, loss-mitigation and other internal controls or actions in place within SEB will be effective in controlling each of the operational risks faced by it. Any weakness in these controls or actions could result in an adverse impact on SEB's business, financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage.

Notwithstanding anything in this risk factor, this risk should not be taken as implying that either the Bank or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the UK Financial Services Authority.

***The information technology and other systems on which SEB depends for its day-to-day operations may fail for a variety of reasons that may be outside its control; SEB is subject to the risk of infrastructure disruptions or other effects on such systems***

SEB's operations are highly dependent on its ability to process and monitor, on a daily basis, a large number of transactions, many of which are highly complex, across numerous and diverse markets, and in many currencies. SEB's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or may become disabled due to, for example, a spike in transaction volume, which may have an adverse effect on SEB's ability to process transactions or provide services. In addition, other factors which could cause SEB's operating systems to fail or not operate properly include a deterioration in the quality of information technology (IT) development, support and operations processes and, in particular, high turnover of employees, resulting in an inadequate number of personnel to handle the growth and increasing complexity of operations. Despite SEB's significant expenditures on its IT systems, there can be no assurance that these expenditures will be sufficient or that its IT systems will function as planned. Any disruption in SEB's IT or other systems may have a material adverse effect on its business, financial condition, results of operations and/or prospects.

Despite the contingency plans and facilities SEB has in place, its ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the businesses and the countries in which it is located. This may include a disruption involving electrical, communications, transportation or other services used by SEB or third parties with which it conducts business, or a catastrophic event involving any location where SEB has a significant operational base.

SEB's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. SEB's computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact. If one or more of such events occur, any one of them potentially could jeopardise the confidential and other information of SEB, its clients or its counterparts. SEB may be required to spend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures. It may also be subject to litigation and financial losses as well as reputation risks that are either not insured against or not fully covered through any insurance maintained by SEB.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Bank or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the UK Financial Services Authority.

***In order to compete successfully, SEB is dependent on highly skilled individuals; SEB may not be able to retain or recruit key talent***

SEB's performance is largely dependent on the talents and efforts of highly skilled individuals. SEB's continued ability to compete effectively in its businesses and to expand into new businesses and geographic areas depends on SEB's ability to attract new employees and to retain and motivate its existing employees. Competition from within the financial services industry, including from other financial institutions, as well as from hedge funds, private equity funds and venture capital funds, and from businesses outside the financial services industry, for key employees is intense. This may impact SEB's ability to take advantage of business opportunities or potential efficiencies.

***SEB may be subject to industrial actions by its employees in connection with collective bargaining negotiations***

As of 31st December, 2010, approximately 60 per cent. of SEB's employees in Sweden were members of trade unions. As of the same date, SEB's subsidiaries in Estonia and Lithuania, no employees were trade union members and, in SEB's subsidiary in Latvia, approximately 16% of the employees were trade union members. Trade union membership is not disclosed in Germany or Denmark and in Norway and Finland the employee trade union membership levels were 3% and 11%, respectively, as of 31st December, 2010. SEB consults with its employees and the relevant trade unions regarding pay, work practices and conditions of employment. While industrial relations issues between SEB and its employees have previously been resolved through negotiation, there can be no assurance that in the

future this will always be the case and that SEB's employees might not resort to industrial action or that SEB will be able to continue to negotiate wages and salaries and terms and conditions of employment on terms that support its ability to offer its services at competitive prices. In addition, SEB's price and cost competitiveness may also be affected by the time and cost involved in negotiating labour issues, particularly in its markets of operations that have strong labour laws or a tradition for job security, such as the Nordic countries and Germany.

***Changes in SEB's accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations***

From time to time, the International Accounting Standards Board (the **IASB**) changes the financial accounting and reporting standards that govern the preparation of SEB's financial statements. These changes can be difficult to predict and can materially impact how SEB records and reports its financial condition and results of operations. In some cases, SEB could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. By way of example, in October 2008, the IASB adopted, and the European Union endorsed, amendments to IAS 39 and IFRS 7 that permit the reclassification of financial instruments in certain circumstances. Pursuant to the amended standards, SEB reclassified a portion of its fixed-income portfolio as described under "*—SEB's accounting policies and methods are critical to how it reports its financial condition and results of operations. They require management to make estimates about matters that are uncertain*" below. The IASB aims to replace all of IAS 39 through the publication of standards relating to impairment methodology and hedge accounting. As this process is not complete, SEB is unable to assess the impact of any such changes on the Group. The IASB may make other changes to financial accounting and reporting standards that govern the preparation of SEB's financial statements, which SEB may adopt if determined to be appropriate by SEB's management, or which SEB may be required to adopt. Any such change in SEB's accounting policies or accounting standards could materially affect its reported financial condition and results of operations.

***SEB's accounting policies and methods are critical to how it reports its financial condition and results of operations. They require management to make estimates about matters that are uncertain***

Accounting policies and methods are fundamental to how SEB records and reports its financial condition and results of operations. Management must exercise judgment in selecting and applying many of these accounting policies and methods so they comply with IFRS.

Management has identified certain accounting policies in the notes to its financial statements as being critical because they require management's judgment to ascertain the valuations of assets, liabilities, commitments and contingencies. See Note 1, "Accounting policies", to the 2010 Financial Statements. These judgments include, for example, the non-consolidation of Gamla Liv into the life insurance operations of the Group. Further, based on the amendments adopted by the IASB to IAS 39 and IFRS 7 permitting the reclassification of financial instruments in certain circumstances, SEB decided in October 2008 to reclassify SEK 95 billion of its fixed-income securities as loans and receivables as of 1st July, 2008. The reclassified amounts included SEK 12 billion of assets held for trading and SEK 83 billion of assets in the available-for-sale category. SEB also decided to reclassify an additional SEK 52 billion of its fixed-income securities as loans and receivables as of 1st January, 2009. The reclassified securities are no longer carried at fair value. As a consequence of the reclassification, SEB implemented changes to its financial reporting from the third quarter of 2008 that had the effect of increasing operating profit, net profit and total equity.

A variety of factors could affect the ultimate value that is obtained either when earning income, recognising an expense, recovering an asset, or reducing a liability. SEB has established detailed policies and control procedures that are intended to ensure that these critical accounting estimates and judgments are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Because of the uncertainty surrounding SEB's judgments and the estimates pertaining to these matters, SEB cannot guarantee that it will not be required to make changes in accounting estimates or restate prior period financial statements in future.

***Any impairment of goodwill and other intangible assets would have a negative effect on SEB's financial position and results of operations***

SEB makes impairment tests on goodwill and other intangible assets at least once a year or whenever there are indications of a possible impairment of any such assets. In 2009, SEB wrote off all of the remaining goodwill in its investments in Eastern European countries in an amount of SEK 2,969 million, reflecting the severe economic situation with lower lending volumes and a sharp increase in impaired loans in the region. Should global economic conditions deteriorate again in the future, especially with regard to the financial sector (either in any of SEB's core markets or in general), the need for further impairments may occur, which may have a material adverse effect on SEB's financial position and results of operations.

***SEB may be required to make provisions for its pension schemes, or further contributions to its pension foundations, if the value of pension fund assets is not sufficient to cover potential obligations***

SEB maintains a limited number of defined benefit pension schemes for past and current employees. The pension obligations under these schemes are partly secured by foundations established for that purpose. The foundations' assets comprise investment portfolios that are held to meet SEB's projected liabilities to the scheme members. Risk arises from the schemes because the value of these asset portfolios and returns from them may be less than expected and because there may be greater than expected increases in the estimated value of the schemes' liabilities. In these circumstances, SEB could be obliged, or may choose, to make provisions for its pension schemes or additional contributions to the foundations. During recent periods, including in 2010, 2009 and 2008, SEB made substantial contributions to its German and card business pension foundations. Depending on the pace and nature of any future macro-economic recovery, SEB may be required or elect to make provisions for its pension schemes, or further contributions to the pension foundations, which could be significant and have a negative impact on SEB's results of operations.

***SEB is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate and other taxes in the jurisdictions in which it operates***

SEB's activities are subject to tax at various rates in the jurisdictions in which it operates, computed in accordance with local legislation and practice. Future actions by the Swedish or other governments to increase tax rates or to impose additional taxes would reduce SEB's profitability. Revisions to tax legislation or to its interpretation might also affect SEB's financial condition in the future. In addition, SEB is subject to periodic tax audits which could result in additional tax assessments relating to past periods of up to six years being made. Any such assessments could be material which might also affect SEB's financial condition in the future.

***SEB is exposed to risks related to money laundering activities, especially in its operations in emerging markets***

In general, the risk that banks will be subjected to or used for money laundering has increased worldwide. The risk of money laundering is higher in emerging markets, such as Russia and Ukraine where SEB currently has small operations, than in Sweden and other more developed markets where SEB operates. The high turnover of employees, the difficulty in consistently implementing related policies and technology systems, and the general business conditions in emerging markets mean that the risk of the occurrence of money laundering is higher in these countries. If financial market conditions, both globally and regionally, deteriorate, there is a risk that incidents involving money laundering may increase; this may affect SEB's ability to monitor, detect and respond to such incidents. The risk of future incidents in relation to money laundering always exists for financial institutions. Any violation of anti-money laundering rules, or even the suggestion of violations, may have severe legal and reputational consequences for SEB, especially in terms of its business relations with institutions based or active in the United States, and may, as a result, adversely affect SEB's business. SEB also faces increased compliance and operational risks in its emerging market operations for the reasons described above.

***SEB is subject to a variety of regulatory risks as a result of its operations in emerging markets***

SEB has small operations in emerging markets, such as Russia and Ukraine. New laws are being enacted, but many remain untested, and laws, regulations and case law applicable to the securities and financial services industries and many of the transactions in which SEB is involved are still evolving. The laws and courts of these countries have not been fully tested in contract enforcement and other types of commercial disputes. These conditions can lead to delays in enforcement proceedings, restructuring and other aspects of the Group's operations in these markets.

SEB is also subject to risks of possible nationalisation, expropriation, price controls, capital controls, exchange controls and other restrictive government actions, as well as the outbreak of hostilities in these markets. While the laws of each of the emerging markets in which SEB operates in respect of foreign investment provide guarantees against nationalisation and expropriation, there is little or no judicial precedent in this area. In addition, the laws on foreign investment currently allow free repatriation of funds to the home country. However, no assurances can be given that these provisions will not be modified or repealed in the future.

***Catastrophic events, terrorist acts, acts of war or hostilities, pandemic diseases or geopolitical or other unpredictable events could have a negative impact on SEB's business and results of operations***

Catastrophic events, terrorist acts, acts of war or hostilities, pandemic diseases or geopolitical or other unpredictable events and responses to those acts events may create economic and political uncertainties, which could have a negative impact on Swedish, European and international economic conditions generally and, more specifically, could interrupt SEB's business and result in substantial losses. In addition, a pandemic disease caused by a virus such as H1N1 (the swine flu virus) could result in large areas being subject to quarantine, with the result that economic activity slows or ceases, adversely affecting SEB's business and the general economic climate within such area, which in turn could have an adverse effect on SEB's business. Such events or acts and losses resulting therefrom are difficult to predict and may relate to property, financial assets, trading positions or key employees. If SEB's business continuity plans do not address such events or cannot be implemented under the circumstances, such losses may increase. Unforeseen events can also lead to increased operating costs, such as higher insurance premiums and the need for redundant back up systems. Insurance coverage for certain risks may also be unavailable and thus increase SEB's risk. SEB's inability to effectively manage these risks could have a material adverse effect on its business, results of operations and financial condition.

***Financial services operations involve inherent reputational risk***

SEB's reputation is one of its most important assets. Reputational risk, including the risk to earnings and capital from negative public opinion, is inherent in the financial services business. Negative public opinion can result from any number of causes, including misconduct by employees, the activities of business partners over which SEB has limited or no control, severe or prolonged financial losses, or uncertainty about SEB's financial soundness or reliability. Negative public opinion may adversely affect SEB's ability to keep and attract customers, depositors and investors, as well as its relationships with regulators and the general public. SEB cannot ensure that it will be successful in avoiding damage to its business from reputational risk.

***SEB may incur significant costs in developing and marketing new products and services***

SEB's success depends, in part, on the ability to adapt products and services to evolving industry standards. There is increasing pressure to provide products and services at lower prices. This can reduce net interest income and non-interest income from fee-based products and services. In addition, the widespread adoption of new technologies could require SEB to make substantial capital expenditures to modify or adapt existing products and services or develop new products and services. SEB may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products may not achieve market acceptance. As a result, SEB could lose business, be forced to price products and services on less advantageous terms to retain or attract clients, or be subject to cost increases.

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in Equity Linked Notes, Commodity Linked Notes, Credit Linked Notes and Fund Linked Notes (each as defined below) or other Notes linked to one or more Reference Item(s), may entail significant risks not associated with investments in a conventional debt security, including, but not limited to, the risks set out in “*Risks related to the structure of a particular issue of Notes*” set out below.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

*Notes in registered form*

Registered Notes are subject to the restrictions on transfer set out in them and will bear a legend regarding those restrictions, see further “*Notice to Purchasers and Holders of Notes and Transfer Restrictions*” and “*Subscription and Sale*”.

*Notes subject to optional redemption by the Bank*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Bank may elect to redeem Notes, the market value of those Notes 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 Bank may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the 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 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.



*Reference item Linked Notes*

Dual Currency Notes, Equity Linked Notes, Index Linked Notes, Commodity Linked Notes, Fund Linked Notes, Credit Linked Notes and Currency Linked Notes (each as defined below and together **Reference Item Linked Notes**) involve a high degree of risk.

Prospective investors in Reference Item Linked Notes should understand the risks of transactions involving Reference Item Linked Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Notes and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Notes may relate, as specified in the applicable Final Terms.

As the amount of interest payable periodically and/or principal at maturity may be linked to the performance of the relevant Reference Item(s), an investor in a Reference Item Linked Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Item(s).

Where the applicable Final Terms specify one or more Reference Item(s), the relevant Reference Item Linked Notes will represent an investment linked to the economic performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in Reference Item Linked Notes will depend upon the performance of such Reference Item(s). Potential investors should also note that whilst the market value of such Reference Item Linked Notes is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the Reference Items(s), Reference Item Linked Notes represent the right to receive payment or delivery, as the case may be, of the relevant cash amount and/or asset amount on the relevant Maturity Date as well as periodic payments of interest (if specified in the applicable Final Terms), all or some of which may be determined by reference to the performance of the relevant Reference Item(s). The applicable Final Terms will set out the provisions for the determination of any cash amount and/or asset amount and of any periodic interest payments.

**PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH ANY CASH AMOUNTS AND/OR ASSET AMOUNTS ARE PAYABLE OR DELIVERABLE AND HOW ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED NOTES.**

Fluctuations in the value and/or volatility of the relevant Reference Item(s) may affect the value of the relevant Reference Item Linked Notes. Investors in Reference Item Linked Notes may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

There is no return on Reference Item Linked Notes other than the potential payment or delivery, as the case may be, of the relevant cash amount and/or asset amount on the Maturity Date and payment of any periodic interest payments.

Other factors which may influence the market value of Reference Item Linked Notes include interest rates, potential dividend or interest payments (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the level of the relevant Reference Item(s) from time to time and market expectations regarding the future performance of the relevant Reference Item(s), its composition and such Reference Item Linked Notes.

If any of the relevant Reference Item(s) is an index, the value of such Reference Item on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item and factors (including those described above) which either affect or may affect the value of the constituents,

will affect the value of such Reference Item and therefore may affect the return on an investment in Reference Item Linked Notes.

The Bank may issue several issues of Reference Item Linked Notes relating to particular Reference Item(s). However, no assurance can be given that the Bank will issue any Reference Item Linked Notes other than the Reference Item Linked Notes to which the applicable Final Terms relate. At any given time, the number of Reference Item Linked Notes outstanding may be substantial. Reference Item Linked Notes provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Notes relate.

#### *Index Linked Notes and Dual Currency Notes*

The Bank may issue Notes with principal and/or interest determined by reference to an index or formula, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Bank may issue Notes with principal and/or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no or a limited amount of interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of a Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Index Linked Notes or Dual Currency Notes. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes or Dual Currency Notes and the suitability of such Notes in light of their particular circumstances.

#### *Commodity Linked Notes*

The Bank may issue Notes where the amount of principal and/or interest payable is dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or basket of commodities, on redemption the Bank's obligation is to deliver specified assets.

Potential investors should be aware that:

- (i) they may receive no or a limited amount of interest;
- (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected; and
- (iii) they may lose all or a substantial portion of their investment.

In addition, the movements in the price of the commodity or commodities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the commodity or the commodities may affect the actual yield

to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the commodities, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the commodity or commodities on principal, interest payable or the amount of specified assets deliverable will be magnified.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of the commodities. The price of commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded. The timing of changes in the price of the commodity or commodities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the commodity or commodities, the greater the effect on yield. The historical experience of commodity prices should not be viewed as an indication of the future performance of such commodity prices during the term of any Commodity Linked Notes. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Commodity Linked Notes and the suitability of such Notes in light of their particular circumstances.

#### *Equity Linked Notes*

The Bank may issue Notes where the amount of principal and/or interest payable is dependent upon the price of or changes in the price of equity securities or a basket of equity securities or where, depending on the price of or change in the price of equity securities or the basket of equity securities, on redemption the Bank's obligation is to deliver specified assets.

Potential investors should be aware that:

- (i) they may receive no or a limited amount of interest;
- (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected; and
- (iii) they may lose all or a substantial portion of their investment.

In addition, the movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the equity security or equity securities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity security or equity securities, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the equity security or equity securities on principal or interest payable will be magnified. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes.

The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date, the volatility of the equity security or equity securities, the dividend rate (if any) and the financial results and prospects of the issuer of the relevant equity security or equity securities as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such securities may be traded. The timing of changes in the price of the equity security or basket of equity securities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity or basket of equity securities, the greater the effect on yield. The historical experience of equity prices should not be viewed as an indication of the future performance of such equity prices during the term of any Equity Linked Notes. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Equity Linked Notes and the suitability of such Notes in light of their particular circumstances.

### *Fund Linked Notes*

The Bank may issue Notes where the amount of principal and/or interest payable is dependent upon the price or changes in the price of units or shares in a fund or funds or where, depending on the price or changes in the price of units or shares in such fund or funds, on redemption the Bank's obligation is to deliver specified assets.

Potential investors should be aware that:

- (i) they may receive no or a limited amount of interest;
- (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected; and
- (iii) they may lose all or a substantial portion of their investment.

In addition, the movements in the price of units or shares in the fund or funds may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the units or shares in the fund or funds may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the units or shares in the fund or funds, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the units or shares of the fund or funds on principal or interest payable will be magnified.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of units or shares in the fund or funds. The price of units or shares in a fund may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units or shares in the fund or funds may be traded. The timing of changes in the price of units or shares in the fund or funds may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the units or shares in the fund or funds, the greater the effect on yield. The historical experience of prices of units or shares in any fund should not be viewed as an indication of the future performance of such prices during the term of any Fund Linked Notes. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Fund Linked Notes and the suitability of such Notes in light of their particular circumstances.

### *Credit Linked Notes*

The Bank may issue Notes where the amount of principal and/or interest payable is dependent upon whether certain events have occurred in respect of a specified entity (the **Reference Entity**) and, if so, on the value of certain specified assets of the Reference Entity or where, if such events have occurred, on redemption the Bank's obligation is to deliver certain specified assets.

Potential investors should be aware that:

- (i) they may receive no or a limited amount of interest;
- (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected; and
- (iii) they may lose all or a substantial portion of their investment.

The market price of such Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Credit Linked Notes and the suitability of such Notes in light of their particular circumstances.

### *Partly-paid Notes*

The Bank may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *Fixed/Floating Rate Notes*

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

### *Notes 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 conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

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

The Bank's obligations under Dated Subordinated Notes issued by it will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. **Senior Liabilities** means all outstanding unsecured and unsubordinated obligations of the Bank.

The Bank's obligations under Undated Subordinated Notes issued by it will be unsecured and subordinated obligations of the Bank. In the event of the voluntary or involuntary liquidation (*likvidation*) of the Bank or the bankruptcy (*konkurs*) of the Bank, the rights of the Holders of the Notes to payments on or in respect of the Notes, whether or not the whole or any part of the principal amount of the Notes (together with Arrears of Interest (as defined below)) has been made available in meeting losses of the Bank and such amount has been utilised as described below, shall rank:

- (i) *pari passu* without any preference among such Notes;
- (ii) at least *pari passu* with all outstanding undated subordinated obligations (other than any Capital Instruments (as defined in Condition 3D)) of the Bank whether or not so converted as described below;
- (iii) in priority to payments to holders of Capital Instruments and all classes of share capital of the Bank in their capacity as such holders; and

- (iv) junior in right of payment to the payment of any present or future claims of (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank, and (c) subordinated creditors of the Bank in respect of subordinated indebtedness having a fixed maturity.

The Bank's obligations under Capital Contribution Securities issued by it will be unsecured and subordinated obligations of the Bank. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, the rights of the Holders of any Capital Contribution Security to payments on or in respect of the Capital Contribution Securities, whether or not the whole or any part of the principal amount of the Capital Contribution Securities (together with Arrears of Interest (as defined below)) has been made available in meeting losses of the Bank and such amount has been utilised as described below, will rank:

- (i) *pari passu* without any preference among such Capital Contribution Securities;
- (ii) at least *pari passu* with any other outstanding Capital Instruments (as defined in Condition 3D) and claims of any other subordinated creditors the claims of which are expressed to rank *pari passu* with the Capital Contribution Securities, whether or not so converted as described below;
- (iii) in priority to payments to holders of all classes of share capital of the Bank in their capacity as such holders; and
- (iv) junior in right of payment to the payment of any present or future claims of (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank, (c) subordinated creditors of the Bank in respect of subordinated indebtedness having a fixed maturity and (d) except as expressed in (ii) above, subordinated creditors of the Bank in respect of undated subordinated obligations.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that Holders of Subordinated Notes will lose all or some of their investment should the Bank become insolvent. This risk is highest for holders of Capital Contribution Securities and is higher for holders of Undated Subordinated Notes than it is for holders of Dated Subordinated Notes.

Holders of Subordinated Notes may only accelerate the maturity of their Subordinated Notes in limited circumstances and, if accelerated, may claim payment only in the bankruptcy or liquidation of the Bank, see Condition 6 of the Notes.

*Utilisation: write-down of principal*

To the extent that may be required in order to avoid the Bank being obliged to enter into liquidation (*likvidation*), the shareholders of the Bank, by resolution passed at a general meeting, may decide that the principal amount of the Undated Subordinated Notes or Capital Contribution Securities (together with (in the case of Undated Subordinated Notes) Arrears of Interest or (in the case of Capital Contribution Securities) Accrued Interest) will be utilised in meeting losses of the Bank, by writing down the principal amount (together with Arrears of Interest) by the amount required to avoid liquidation and, if so specified in the applicable Final Terms, converting such amount into a conditional capital contribution (the amount which has been so utilised is referred to as the **Converted Amount**), see Condition 3C.01 (in the case of Undated Subordinated Notes) or Condition 3D.01 (in the case of Capital Contribution Securities) of the Notes. Reconversion and reinstatement as debt of the Converted Amount (in whole or in part) and payment of an amount equal to the interest that would have accrued on the Undated Subordinated Notes or the Capital Contribution Securities, as the case may be, in the absence of such conversion may only be made out of unappropriated earnings (*disponibla vinstmedel*) of the Bank according to its adopted balance sheet and subject to a resolution of the shareholders passed at a general meeting, see Condition 3C.02 (in the case of Undated Subordinated Notes) or Condition 3D.02 (in the case of Capital Contribution Securities) of the Notes.

*Under certain conditions, interest payments under Undated Subordinated Notes may be deferred*

If, in relation to any issue of Undated Subordinated Notes, an Optional Interest Payment Date occurs, then the Bank may defer the payment of interest on the Undated Subordinated Notes as described in Condition 4F. Any such deferral of interest will not constitute a default under the relevant Undated Subordinated Notes.

Any interest in respect of Undated Subordinated Notes not paid on an Optional Interest Payment Date (**Arrears of Interest**), and interest on Arrears on Interest, may at the option of the Bank be paid in whole or in part at any time but all Arrears of Interest, and interest on Arrears of Interest, in respect of all Undated Subordinated Notes outstanding shall become due in full on whichever is the earliest of (i) the date upon which a dividend is next paid on any class of shares of the Bank, (ii) the date fixed for any repayment of the Notes, or (iii) the commencement of a liquidation (*likvidation*) of or bankruptcy (*konkurs*) proceedings in respect of the Bank.

Any deferral of interest payments is likely to have an adverse effect on the market price of the Undated Subordinated Notes. In addition, as a result of the interest deferral provision of the Undated Subordinated Notes, the market price of the Undated Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Bank's financial condition.

*Restrictions on interest payments in respect of Capital Contribution Securities*

Payments of interest in any fiscal year in respect of Capital Contribution Securities are limited to, and may not exceed, the accumulated Available Distributable Funds (*utdelningsbara medel*) (as defined in Condition 4G) of the Bank as of the end of the preceding fiscal year. To the extent that accumulated Available Distributable Funds (*utdelningsbara medel*) as of the end of the preceding fiscal year are insufficient to pay or to provide for payment in full of all accrued but unpaid interest and the claims of Holders of other Capital Instruments of the Bank, the Bank will make partial payment of all accrued but unpaid interest and such other claims *pro rata* to the extent of such Available Distributable Funds (*utdelningsbara medel*). If, and to the extent that Available Distributable Funds (*utdelningsbara medel*) are not available and the Bank makes partial payment of, or does not pay, accrued interest, the right of Holders of Capital Contribution Securities to receive accrued but unpaid interest in respect of any such Interest Period will be lost. The Bank will have no obligation to make such payments of unpaid interest or to pay interest thereon, whether or not payments of interest in respect of subsequent interest periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose.

Any failure to make any interest payment in respect of a Capital Contribution Security as a result of the above provision is likely to have an adverse effect on the market price of the Capital Contribution Securities. In addition, as a result of the above provision, the market price of the Capital Contribution Securities may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such provisions and may be more sensitive generally to adverse changes in the Bank's financial condition.

*Redemption upon occurrence of a Tax Event or Capital Event in relation to Capital Contribution Securities*

Upon the occurrence of a Tax Event (as defined in Condition 5.13) or a Capital Event (as defined in Condition 5.13) but subject to Condition 5.13, the Bank may, at its option, redeem, as provided in Condition 5.13 all (but not some only) of the Capital Contribution Securities at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms.

There can be no assurance that Holders of Capital Contribution Securities will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Capital Contribution Securities.

*Holders of Covered Bonds assume credit risk on the Bank*

Investors investing in Covered Bonds have a credit risk on the Bank. The Covered Bonds are not guaranteed by any person.

The Covered Bonds have the benefit of priority to a matched pool of assets (the **Cover Pool**) upon bankruptcy of the Bank. The assets in the Cover Pool are owned by the Bank but will in the Bank's bankruptcy not be available to the holders of MTNs or other creditors until the holders of the Covered Bonds and relating derivative counterparties have been repaid in full (except in limited circumstances if the administrator-in-bankruptcy would grant an advance dividend to unsecured creditors). To the extent that claims in relation to the Covered Bonds are not met out of the assets in the Cover Pool, the residual

claims will rank *pari passu* with the unsubordinated MTNs and other unsecured and unsubordinated obligations of the Bank. See also “*Summary of the Swedish Legislation Regarding Covered Bonds*”.

*Exposure of holders of Covered Bonds in the event of a failure of the Cover Pool to meet the matching requirements*

The Bank will be required under the Covered Bond Act (as defined in Condition 1.01) to comply with certain matching requirements as long as there is any Covered Bond outstanding. One of the requirements to maintain the matching of the Cover Pool is the maintenance of sufficient hedging, which means that the matching of the Cover Pool is also dependent on the availability of derivative counterparties with a sufficient rating and the performance by such counterparties of their obligations under the derivative contracts. If, in the Bank’s bankruptcy, the administrator-in-bankruptcy deems that the Cover Pool does not comply with the matching requirements (for example, due to a devaluation of the underlying properties and where no additional assets are available to compensate for such devaluation) and the deviations are not just minor and temporary, the Cover Pool can no longer be maintained as a unit and the holders of Covered Bonds will instead benefit from the proceeds of the sale of assets in the Cover Pool in accordance with the Swedish rules regarding dividends in bankruptcy. This could result in the holders of Covered Bonds receiving payment according to a schedule that is different from that contemplated by the terms 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 will retain the benefit of priority to the assets comprised in the Cover Pool. See also “*Summary of the Swedish Legislation Regarding Covered Bonds—Matching requirements; Cover pool administration in case of bankruptcy*”.

*No due diligence has or will be undertaken in relation to the Cover Pool in respect of any Covered Bonds*

No investigations, searches or other actions in respect of any assets contained or to be contained in the pool of assets covering the Covered Bonds has or will be performed by the Arranger, the Dealers or the relevant Dealer.

*Limited information available to holders of Covered Bonds*

Investors will not receive detailed statistics or information in relation to the mortgage loans and other assets included in the Cover Pool and it is expected that the constitution of the Cover Pool will change from time to time.

*Risk relating to certain mortgagors’ rights to set-off deposits and other claims against the Bank against mortgage liabilities included in the Cover Pool in the event of the Bank’s bankruptcy or liquidation*

In accordance with the Covered Bond Act, the Bank intends to ensure that the nominal value of the assets in the Cover Pool will at all times exceed the nominal value of claims that may be asserted against the Bank in relation to the Covered Bonds. There is a risk that, upon a bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank, Relevant Mortgagors might be able to set-off the value of those deposits or loans against their liability to the Bank under their mortgage. In light of this and in order to achieve the best possible rating from Moody’s, the Bank will undertake in each Series of Covered Bonds that if the Rating Condition is not, at any time, met, then, on each Quarter Date (or, if such Quarter Day is not a Business Day, the next following Business Day) during which the Rating Condition is not met, the Bank will, to the extent necessary at the time, contribute additional assets to the Cover Pool which are eligible to be contributed to the Cover Pool in accordance with the Covered Bond Act to ensure that the aggregate nominal value of the assets in the Cover Pool exceeds the sum of (i) the nominal value of claims that may be asserted against the Bank in relation to the Covered Bonds and (ii) the sum of the Set-Off Amounts in respect of all Relevant Mortgagors.

For this purpose:

**Business Day** means a day on which commercial banks are open for general business in Stockholm.

**Moody’s** means Moody’s Investors Services, Inc.

**Quarter Dates** means, (i) any date on which the long-term senior unsecured obligations on the Bank cease to be rated “A3” or above by Moody’s or the equivalent of “A3” by such other internationally



recognised rating agency (as described in the definition of Rating Condition) and (ii) each other date that falls three months after the last preceding Quarter Date.

**Rating Condition** means either (i) if the Bank is at the time rated by Moody's, its long-term senior unsecured obligations are rated "A3" or above or (ii) if the Bank is not at the time rated by Moody's, it is rated by at least one other internationally recognised rating agency and its long-term senior unsecured obligations are rated by such agency at least the equivalent of an "A3" rating by Moody's.

**Relevant Mortgagors** means those mortgagors whose mortgage loans are included in the Cover Pool and who also hold deposits with or have otherwise lent money to the Bank.

**Set-Off Amount** means, in respect of each Relevant Mortgagor, the lesser of (i) all claims of such Relevant Mortgagor against the Bank (including deposits) and (ii) the nominal value of mortgage loans owed by such Relevant Mortgagor that are included in the Cover Pool.

The covenant is designed to ensure that the ratings given to each Series of Covered Bonds that are rated by Moody's are maintained. However, Investors should be aware that this covenant may not be sufficient to retain such ratings in all circumstances and that a reduction or withdrawal of the then current rating given to the relevant Covered Bonds by Moody's might occur for other reasons. Any reduction or withdrawal of a rating given to the Covered Bonds may affect the secondary market in, and market value of, those Covered Bonds. In addition, investors should note that if the Bank does not maintain sufficient eligible assets in the Cover Pool to offset any set-off rights of Relevant Mortgagors this may, upon any subsequent bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank, result in the holders of Covered Bonds receiving payment according to a schedule that is different from that contemplated by the terms of the Covered Bonds (with accelerations as well as delays) or that the holders of Covered Bonds not being paid in full.

Accordingly, investors should understand that there is no assurance that the ratings originally given to a Series of Covered Bonds will be maintained in all circumstances.

#### *The Covered Bond Act is recent legislation*

The Covered Bond Act entered into force in 2004 and there are no precedents as to how the provisions have been or will be interpreted or applied by Swedish courts or other judicial authorities. Furthermore, there is no previous legislation on covered bonds in Sweden or other similar legislation that would lend clear support to arguments based on analogy in a dispute over the interpretation of some of the provisions in the Covered Bond Act. See also "Summary of the Swedish Legislation Regarding Covered Bonds".

#### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

##### *Modification*

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Fiscal Agent may, without the consent of Noteholders, agree to any modification of the Notes which is (1) not prejudicial, as determined by the Bank, to the interests of the Noteholders or (2) is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

##### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the

conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If, following implementation of the Directive, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Bank nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of the Directive, the Bank will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

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

Under the terms and conditions of the Covered Bonds, all payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed by the Kingdom of Sweden or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes is required by law, in which case such deduction will be made by or on behalf of the Issuer.

In the event that any such withholding or deduction is required by law, the terms and conditions of the Covered Bonds do not require the Issuer to pay any additional amounts in respect of such withholding or deduction.

#### *Change of law*

The conditions of the Notes are based on English law or, where indicated, Swedish law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to English and/or Swedish law or administrative practice after the date of this Information Memorandum.

#### *Bearer Notes where denominations involve integral multiples: definitive bearer Notes*

In relation to any issue of Notes in bearer form 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 Instruments may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of such trading, 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 definitive Note in bearer form in respect of such holding (should such definitive Notes be printed) and, in order to receive such a Note, would need to purchase a principal amount of Notes such that its holding amounts to the minimum Specified Denomination.

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

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes 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 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 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 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 Bank will pay principal and interest on the Notes 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, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. 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 involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

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

One or more independent credit rating agencies may assign credit ratings to the Notes. The 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. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the assigning rating agency at any time.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 (the **CRA Regulation**) will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

#### *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 are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Information Memorandum and have been filed with the Financial Services Authority shall be deemed to be incorporated in, and to form part of, this document:

- (1) the audited consolidated and non-consolidated financial statements (including the auditors' report thereon and notes thereto) of the Bank in respect of the two financial years ended 31st December, 2009 and 31st December, 2010 set out on pages 65 to 136 (inclusive) and page 141 of the 2009 annual report of the Bank and pages 73 to 146 (inclusive) and page 151 of the 2010 annual report of the Bank (the **2010 Annual Report**);

The 2009 financial data contained in this Information Memorandum has been extracted from the audited consolidated financial statements of the Bank in respect of the financial year ended 31st December, 2010 in which the Bank restated the comparable financial statements in respect of the year ended 31st December, 2009 to reflect the sale of its retail banking business in Germany (**Retail Germany**) on 12th July, 2010 as discontinued operations. The Bank's audited consolidated financial statements in respect of the year ended 31st December, 2009 are no longer current as IFRS 5 (Discontinued Operations) requires the effects of the sale of Retail Germany to be reflected on a retrospective basis. Reference should be made to the comparable financial statements in respect of the year ended 31st December, 2009 contained in the audited consolidated financial statements of the Bank in respect of the year ended 31st December, 2010 prepared in accordance with IFRS.

The Bank's financial statements have been prepared in accordance with IFRS, as endorsed by the European Union, including making use of the version of IAS 39 endorsed by the European Union with respect to portfolio hedges of interest rate risk.

- (2) the section of the 2010 Annual Report entitled "Market Risk" set out on pages 48 to 50 (inclusive);
- (3) the unaudited consolidated interim financial statements of the Bank (including the auditors' limited review report thereon) in respect of the three months ended 31st March, 2011 (set out on pages 7 to 29 (inclusive) of the Bank's interim report entitled "Interim report January-March 2011") (the **Interim Report**);

With effect from 1st January, 2011, the financial results of certain large corporate and institutional activities in the Baltic countries carried on by the Merchant Banking division have been recorded as results of the Baltic division. In addition, certain other internal financial changes have been made, including greater centralisation of the Treasury function and increased central cost allocation among the different divisions. None of these changes affects the Group's results of operations. SEB has, however, in the Interim Report, where relevant, restated the comparable financial information for each division as of and for the three-month period ended 31st March, 2010 to reflect these changes.

- (4) the section of the Bank's publication entitled "Fact Book January – March 2011" entitled "Market Risk" set out on page 42 thereof; and
- (5) solely for the purposes of any issues of Notes which are expressed to be consolidated and form a single series with a Tranche of Notes issued in earlier Information Memoranda published by the Bank, the terms and conditions from each of the following Information Memoranda relating to the Programme and published by the Bank:
  - (i) Information Memorandum dated 5th July, 2005;
  - (ii) Information Memorandum dated 15th June, 2006;
  - (iii) Information Memorandum dated 11th May, 2007;
  - (iv) Information Memorandum dated 2nd November 2007;
  - (v) Information Memorandum dated 27th June, 2008;

- (vi) Information Memorandum dated 29th June, 2009; and
- (vii) Information Memorandum dated 18th June, 2010.

Following the publication of this Information Memorandum a supplement may be prepared by the Bank and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. 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 Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum can be obtained free of charge from The Investor Relations Department of Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-106 40 Stockholm. Requests for such documents should be directed to the Bank at its office set out above. In addition, such documents will be available from the principal office in England of Citibank, N.A., London Branch for Notes admitted to the Official List.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Information Memorandum shall not form part of this Information Memorandum.

The Bank will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Notes, prepare a supplement to this document or publish a new Information Memorandum for use in connection with any subsequent issue of Notes.

## DESCRIPTION OF THE NOTES TO BE ISSUED UNDER THE PROGRAMME

<b>Form of Notes:</b>	Notes may be issued in bearer form or in registered form. Notes in bearer form may also be issued in new global note ( <b>NGN</b> ) form. Notes issued in registered form may be held under the New Safekeeping Structure for registered global securities (the <b>NSS</b> ).
<b>Currencies:</b>	Notes may be denominated in any currency or currencies (including, without limitation, euro ( <b>euro</b> ), Japanese Yen ( <b>JPY</b> ), Pounds Sterling ( <b>GBP</b> ), Swiss Francs ( <b>CHF</b> ) and United States Dollars ( <b>USD</b> )) subject to compliance with all applicable legal and/or regulatory requirements. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
<b>Issuance in Series:</b>	Notes will be issued in series (each a <b>Series</b> ). The Notes of each Series will all be subject to identical terms, whether as to currency, denomination, interest or maturity or otherwise.
<b>Status of the MTNs:</b>	MTNs may be issued on a dated subordinated, undated subordinated or unsubordinated basis, as described in Condition 3A, 3B and 3C, respectively, and as specified in the applicable Final Terms.
<b>Status of the Capital Contribution Securities:</b>	Capital Contribution Securities are issued on a subordinated basis as described in Condition 3D. Securities may be issued which are subordinated so as to rank after the Capital Contribution Securities and, in such case, the provisions relating to such subordination will be set out in the applicable Final Terms.
<b>Status of the Covered Bonds:</b>	Covered Bonds are issued on an unsubordinated basis and in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds ( <i>lagen (2003:1223) om utgivning av säkerställda obligationer</i> ) (the <b>Covered Bond Act</b> ). As such, the Covered Bonds will have the benefit of priority to a matched pool of assets upon the bankruptcy of the Bank. To the extent that claims in relation to the Covered Bonds and related derivative contracts are not met out of the pool of assets, the residual claims will rank <i>pari passu</i> with the unsecured and unsubordinated obligations of the Bank. See also “ <i>Summary of the Swedish Legislation Regarding Covered Bonds</i> ”.
<b>Issue Price:</b>	Notes may be issued at par or at a discount or premium to par.
<b>Maturities:</b>	Any maturity in excess of one month, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory requirements.
<b>Redemption:</b>	Notes may be redeemable at par or at such other redemption amount (detailed in a formula or otherwise) as may be specified in the applicable Final Terms.
<b>Interest:</b>	Notes may be interest-bearing or non-interest bearing.  Interest (if any) may accrue at a fixed or floating rate or at such other rate (detailed in a formula or otherwise) as may be specified in the applicable Final Terms and may vary during the lifetime of the relevant Series.
<b>Denominations:</b>	Notes will be issued in such denominations as may be specified in the applicable Final Terms, save that the minimum denomination of each

Note will be such amount 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 admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notes issued in registered form and offered and sold in the United States pursuant to Rule 144A under the Securities Act must have a minimum denomination as specified in the applicable Final Terms.

**Early Redemption:** Early redemption for Notes other than Capital Contribution Securities will be permitted for taxation reasons as described in Condition 5.02, but will otherwise be permitted only to the extent specified in the applicable Final Terms. Early redemption for Capital Contribution Securities will be permitted for certain taxation and regulatory reasons as described in Condition 5.13, but will otherwise be permitted only to the extent specified in the applicable Final Terms.

**Redenomination:** The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination will be set out in full in the applicable Final Terms.

**Taxation:** Payments in respect of Notes will be made by the Bank without withholding or deduction in respect of taxes for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or, if such taxes are required to be withheld or deducted, will be increased save as described in Condition 7.

**Governing Law:** The Notes, the Fiscal Agency Agreement, the Dealership Agreement, the Deed of Covenant (as defined under “*Terms and Conditions of the Notes*”), the Deed Poll (as defined under “*Terms and Conditions of the Notes*”) and any non-contractual obligations arising out of or in respect of the Notes, the Dealership Agreement and the Fiscal Agency Agreement will be governed by, and construed in accordance with, English law, except with respect to Conditions 3B to 3E.01 (inclusive), which will be governed by, and construed in accordance with, the laws of the Kingdom of Sweden. Any non-contractual obligations arising out of or in respect of Conditions 3B to 3E.01 (inclusive) will be governed by, and construed in accordance with, the laws of the Kingdom of Sweden.

**Rating:** The rating of the Notes to be issued under the Programme will be specified in the applicable Final Terms.

Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 will be disclosed in the Final Terms.

**Listing and admission to trading:** Application has been made to the UK Listing Authority for Notes issued under the Programme up to the expiry of 12 months from the date of this Information Memorandum to be admitted to the Official

List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

**Terms and Conditions:**

The Terms and Conditions applicable to each Series will be as agreed between the Bank and the relevant Dealer or other purchaser at or prior to the time of issuance of such Series, and will be specified in the applicable Final Terms. The Terms and Conditions applicable to each Series will therefore be those set out herein as supplemented, modified or replaced by the applicable Final Terms.

**Enforcement of Notes in Global Form:**

In the case of Notes in global form, individual investors' rights will be governed by the Deed of Covenant, a copy of which will be available for inspection at the office of Citibank, N.A., London Branch at 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

**Clearing Systems:**

Euroclear, Clearstream, Luxembourg, DTC and/or, in relation to any Notes, any other clearing system as may be specified in the applicable Final Terms. See "*Book Entry Clearance Systems*"

Notes that are intended to be sold in both the United States and the euro markets may clear through Euroclear, Clearstream, Luxembourg and/or DTC, as specified in the applicable Final Terms. Notes that are intended to be sold primarily outside the United States will clear through Euroclear, Clearstream, Luxembourg and/or any other clearing system specified in the applicable Final Terms. See "*Book Entry Clearance Systems*".

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area (including the United Kingdom) and Japan, see "*Subscription and Sale*".



## FORM OF THE NOTES

*Terms used but not defined herein shall have the same meaning as ascribed to them in the “Terms and Conditions of the Notes”.*

Unless otherwise provided with respect to a particular Series of Registered Notes in the applicable Final Terms, the Registered Notes of each Tranche of such Series offered and sold in reliance on Regulation S, which will be sold to persons other than U.S. persons (as defined in Regulation S) outside the United States, will initially be represented by a Regulation S Global Note in registered form which will, depending on the option specified in the applicable Final Terms, either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such common depositary, in each case on its issue date.

Unless otherwise provided with respect to a particular Series of Registered Notes in the applicable Final Terms, Registered Notes of each Tranche of such Series offered and sold in the United States in private transactions to QIBs will initially be represented by a Rule 144A Global Note in registered form (together with the Regulation S Global Note, the **Registered Global Notes**) which will, depending on the option specified in the applicable Final Terms, either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) be deposited with a common depositary or common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such common depositary or in the name of a nominee of the common safekeeper, in each case on its issue date. Registered Global Notes are subject to restrictions on transfer and will bear legends detailing such restrictions as set out under “*Notice to Purchasers and Holders of Notes and Transfer Restrictions*”. Registered Global Notes will be exchangeable for definitive Registered Notes only in the limited circumstances as more fully described herein. Registered Global Notes may be held under the NSS if so stated in the Final Terms.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described in Condition 2, to receive physical delivery of definitive Registered Notes.

Payments of principal of the Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date, in accordance with Condition 8A.02. Payments of interest on Registered Notes will be made on the relevant payment date to the person in whose name such Notes are registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date. None of the Bank, the Fiscal Agent, any Paying Agent, the Registrar or the Alternative Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Bearer Notes of each Tranche will be initially represented by a Temporary Global Note without receipts, interest coupons (**Coupons**) or talons, which will:

- (i) if the Bearer Global Notes (as defined below) are intended to be issued in 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 for Euroclear and Clearstream, Luxembourg; and
- (ii) if the Bearer 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 depositary for Euroclear and Clearstream, Luxembourg.

While any Bearer Note is represented by a Temporary Global Note, payments of principal and interest (if any) due prior to the 40th day after the later of the date of issue of the relevant Notes and the completion of the distribution of such Notes of each Series (the **Distribution Compliance Period**) will be made (against presentation of the Temporary Global Instrument, if the Temporary Global Instrument 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 interest in such Note are not within the United States or its possessions or 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 Fiscal Agent.

On the expiry of the Distribution Compliance Period, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for interests in a Permanent Global Note (together with the Temporary Global Notes, **Bearer Global Notes**) without receipts, interest coupons or talons or for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless a Permanent Global Note or definitive Bearer Note have not been issued in exchange for the Temporary Global Note in accordance with their terms.

In the case of a Permanent Global Note, payments of principal and interest (if any) on the 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. Unless otherwise specified in the applicable Final Terms, a Bearer Global Note will only be exchangeable (free of charge), in whole but not in part for Definitive Notes with, where applicable, receipts, interest coupons and talons attached in the circumstances specified in Condition 1 of the Terms and Conditions.

Pursuant to the Fiscal Agency Agreement (as defined under “*Terms and Conditions of the Notes*”) the Fiscal Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall not be assigned (where applicable) a common code, an ISIN number, a CUSIP number and/or a CINS number assigned to Notes of any other Tranche of the same Series until the relevant Tranches are consolidated and form a single Series.

All Notes will be issued pursuant to the Fiscal Agency Agreement.

For so long as any of the Notes is represented by a Bearer Global Note deposited with a common depository or a common safekeeper for Euroclear and Clearstream, Luxembourg or so long as a nominee for the common depository for Euroclear and Clearstream, Luxembourg or for DTC, as the case may be, is the registered holder of a Registered Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or, as the case may be, DTC as entitled to a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC or its nominee as to the nominal amount of 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 deemed to be the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes for which purpose such common depository, common safekeeper or, as the case may be, nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the Fiscal Agency Agreement (and the expression **Noteholder** and related expressions shall be construed accordingly).

No beneficial owner of an interest in a Registered Global Note will be able to exchange or transfer that interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable.

The following legend will appear on all Bearer Global Notes, definitive Notes in bearer form, receipts and Coupons:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations in Sections 165(j) and 1287(a) of the United States Internal Revenue Code of 1986, as amended.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or 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 Bearer Notes, receipts or Coupons.

Any reference in this section “*Form of the Notes*” to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits except in relation to Notes issued in NGN form, be deemed to include a reference to any additional or alternative clearing system approved by the Bank, the relevant Dealer and the Fiscal Agent.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which (subject to completion and amendment) will be applicable to each Series of Notes provided that the applicable Final Terms in relation to any Series of Notes 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 the following Terms and Conditions for the purposes of such Series of Notes:*

This Note is one of a Series (as defined below) of Notes issued by Skandinaviska Enskilda Banken AB (publ) (the **Bank**) in accordance with an amended and restated fiscal agency agreement (the **Fiscal Agency Agreement**, which expression shall include any amendments or supplements thereto) dated 18th June, 2010 made between the Bank, Citibank, N.A., London Branch in its capacities as fiscal agent (the **Fiscal Agent**, which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such) and as principal registrar (the **Principal Registrar**, which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), Citigroup Global Markets Deutschland AG in its capacity as alternative registrar (the **Alternative Registrar**, which expression shall include any successor to Citigroup Global Markets Deutschland AG in its capacity as such) and certain other financial institutions named therein in their capacities as paying agents (the **Paying Agents**, which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement).

References herein to the **Notes** shall, except where the context otherwise requires, 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 the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (iv) any definitive Notes in registered form (**Registered Notes**) whether or not issued in exchange for a Global Note in registered form.

The Notes are the subject of a set of final terms (the **applicable Final Terms**) prepared by or on behalf of the Bank a copy of which is available for inspection at the specified office of the Fiscal Agent or, if this Note forms part of a Series of Registered Notes, the Registrar.

The applicable Final Terms (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions 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 the Notes.

Words and expressions defined in the Fiscal 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 Fiscal Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

Any reference to **Noteholders** or **Holders** in relation to the Notes shall mean (if this Note forms part of a Series of Bearer Notes) the bearers of the Notes and (if this Note forms part of a Series of Registered Notes) the persons in whose name the Notes are registered and shall, if the Notes are represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts (as defined below) and any reference herein to **Couponholders** shall mean the holders of the Coupons (as defined below) and shall, unless the context otherwise requires, include the holders of the Talons (as defined below).

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to

listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 18th June, 2010 and made by the Bank. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Fiscal Agency Agreement, the Deed of Covenant and a deed poll (the **Deed Poll**) dated 2nd November, 2007 and made by the Bank are available for inspection during normal business hours at the specified office of each of the Paying Agents and the Registrar (as defined below). Copies of the applicable Final Terms are available for viewing at Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden and copies may be obtained from Citibank, N.A., London Branch, 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Fiscal Agency Agreement, the Deed of Covenant, the Deed Poll 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 Fiscal Agency Agreement.

## **1. Form and Denomination**

### *General Provisions*

**1.01** Notes are issued in bearer form or in registered form, as specified in the applicable Final Terms, and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a medium term note (an **MTN**), a Capital Contribution Security or a covered bond (a **Covered Bond**) issued, in the latter case, as bonds (*säkerställda obligationer*) pursuant to the Swedish Act (2003:1223) on Issuance of Covered Bonds (*lagen (2003:1223) om utgivning av säkerställda obligationer*) (the **Covered Bond Act**), as specified in the applicable Final Terms. If this Note is an MTN, it may be an Unsubordinated Note, a Dated Subordinated Note or an Undated Subordinated Note, as specified in the applicable Final Terms. References in these Terms and Conditions to **Notes** shall be construed accordingly.

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

In addition, this Note may be a Commodity Linked Interest Note, an Equity Linked Interest Note, a Credit Linked Interest Note or a Fund Linked Interest Note, in which case the applicable provisions will be set out in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

In addition, this Note may be a Commodity Linked Redemption Note, an Equity Linked Redemption Note, a Credit Linked Redemption Note or a Fund Linked Redemption Note, in which case the applicable provisions will be set out in the applicable Final Terms.

Definitive Bearer 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.

### *Bearer Notes*

**1.02** Bearer Notes are represented upon issue either (a) if so specified in the applicable Final Terms, by a temporary global note (a **Temporary Global Note**) or (b) if so specified in the applicable Final Terms, by a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, the **Bearer Global Notes**), in each case in substantially the form (subject to amendment and completion)

scheduled to the Fiscal Agency Agreement. In the case of Notes represented on issue by a Temporary Global Note, on or after the date (the **Exchange Date**) which is 40 days after the date of issue of the Notes and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in the form set out in the Temporary Global Note) has been received, interests in the Temporary Global Note may be exchanged for either:

- (i) if so specified in the applicable Final Terms, interests in a Permanent Global Note; or
- (ii) if so specified in the applicable Final Terms, definitive Notes in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement.

**1.03** If any date on which a payment of interest is due on the Bearer Notes occurs whilst any of the Bearer Notes are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations has been received by Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Payments of principal or interest (if any) on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification.

**1.04** Interests in a Permanent Global Note will, as specified in the applicable Final Terms, be exchangeable for definitive Notes in whole (but not in part only) either:

- (i) at the option of the holders of interests in such Permanent Global Note; or
- (ii) only upon the occurrence of an Exchange Event (as defined in Condition 1.07).

If default is made by the Bank in (i) payment of principal to the bearer or (ii) the required delivery of definitive Notes and such default is continuing at 6.00 p.m. (London time) on the seventh (in the case of (i) above or the thirtieth (in the case of (ii) above) day after the day on which such payment or delivery (as the case may be) was first due to be made, the Permanent Global Note will become void in accordance with its terms but without prejudice to the rights of the accountholders with Euroclear or Clearstream, Luxembourg under the Deed of Covenant.

**1.05** Interest-bearing definitive Bearer Notes will have attached thereto at the time of their initial delivery Coupons, presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest-bearing definitive Bearer Notes will also, if so specified in the applicable Final Terms, have attached thereto at the time of their initial delivery talons for further Coupons (**Talons**). Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments will have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Bearer Global Notes do not have Receipts, Coupons or Talons attached on issue.

#### *Registered Notes*

**1.06** Registered Notes will:

- (i) if offered and sold in reliance on Regulation S, initially be represented by a global note in registered form, without Receipts or Coupons (a **Regulation S Global Note**); or
- (ii) if offered and sold in reliance on Rule 144A under the Securities Act, initially be represented by a global note in registered form, without Receipts or Coupon, (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**).

Each Registered Global Note will be deposited with either (a) if so specified in the applicable Final Terms, a common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such common depositary or (b) if so specified in the applicable Final Terms, a custodian for, and registered in the name of a nominee of, the Depository Trust Company in New York (DTC) and each Registered Global Note will be in substantially the form (subject to completion) scheduled to the Fiscal Agency Agreement. Interests in Registered Global Notes may be exchanged for definitive Registered Notes, without Receipts or Coupons, in the manner, and subject to the conditions, set out in Condition 1.07 and Condition 2.

**1.07** Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of a Series of Notes some or all of which are held through DTC, DTC has notified the Bank that it is unwilling or unable to continue to act as depository for the Notes or DTC has ceased to constitute a clearing agency registered under the Exchange Act and, in each case, no alternative clearing system is available, (iii) in the case of a Series of Notes some or all of which are held through Euroclear and/or Clearstream, Luxembourg, the Bank 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, in any such case, no successor clearing system is available or (iv) the Bank has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

## **2. Title**

**2.01** Subject as set out below, title to Bearer Notes, Receipts and Coupons passes by delivery.

**2.02** Subject as set out below, title to Registered Notes passes by registration in the register (the **Register**) which is kept by the Principal Registrar or, if the applicable Final Terms so specifies, the Alternative **Registrar**. For the purposes of these Terms and Conditions, **Registrar** means the Principal Registrar or the Alternative Registrar as so specified in the applicable Final Terms.

**2.03** The Holder of any Note, Receipt or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder 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 Bearer Global Note or a Registered Global Note held by or on behalf of Euroclear and/or 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 Bank, the Registrar 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 Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Bank, the Registrar 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** and related expressions shall be construed accordingly.

For so long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Fiscal Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

References to DTC, 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.

### *Transfer of Registered Notes*

**2.04** Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in

the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Fiscal Agency Agreement. Transfers of a Registered Global Note held through DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

**2.05** Subject as provided in paragraphs 2.08 and 2.09 below, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in any Specified Denomination). In order to effect any such transfer (i) the Holder or Holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar, with the form of transfer thereon duly executed by the Holder or Holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar and (ii) the Registrar must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Bank and the Registrar may from time to time prescribe (the initial such regulations being set out in the Fiscal Agency Agreement). Subject as provided above, the Registrar will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

**2.06** In the event of a partial redemption of Notes under Condition 5.03, the Bank shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

**2.07** Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Bank 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.

**2.08** Prior to expiry of the period that ends 40 days after the completion of the distribution of the Tranche of Notes of which this Note forms part, transfers by the Holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Fiscal Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a "qualified institutional buyer" (a **QIB**) within the meaning of Rule 144A (**Rule 144A**) under the U.S. Securities Act of 1933, as amended (the **Securities Act**) in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Bank (but at the cost of the transferee and/or transferor) of such satisfactory evidence as the Bank may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

**2.09** Transfers of Legended Notes (as defined below) or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the



effect that such transfer is being made in accordance with Regulation S under the Securities Act; or

- (ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Bank (but at the cost of the transferee and/or transferor) of such satisfactory evidence as the Bank may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend on the face of any such Note detailing the restrictions on transfer of the Note, the Registrar shall deliver only Legended Notes or refuse to remove such legend, as the case may be, unless there is delivered to the Bank such satisfactory evidence as may reasonably be required by the Bank, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

For this purpose, **Legended Note** means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A.

### **3. Status**

#### **3A. Status — Unsubordinated Notes**

**3A.01** This Condition 3A is applicable in relation to Notes specified in the applicable Final Terms as being Unsubordinated Note. The Notes constitute unsecured and unsubordinated obligations of the Bank and rank *pari passu* without any preference among themselves with all other outstanding unsecured and unsubordinated obligations of the Bank, present and future, but (in the event of insolvency) only to the extent permitted by laws relating to creditors' rights.

#### **3B. Status — Dated Subordinated Notes**

**3B.01** This Condition 3B is applicable in relation to Notes specified in the applicable Final Terms as being Dated Subordinated Notes. In such case:

- (i) the Notes constitute unsecured obligations of the Bank and rank *pari passu* without any preference among themselves. The Notes constitute subordinated debt obligations of the Bank, referred to in Swedish as *Förlagslån*. The Notes rank *pari passu* with all other subordinated debt obligations of the Bank other than subordinated debt obligations which rank junior to the Notes. Documents evidencing *Förlagslån* are referred to in Swedish as *Förlagsbevis*. In the event of liquidation or bankruptcy of the Bank, the claims of the holders of the Notes will be subordinated to the claims of depositors and other unsubordinated creditors of the Bank; and
- (ii) the Bank hereby undertakes that, as long as any of the Notes remains outstanding, it will not create, issue, assume or otherwise incur any loan, debt, guarantee or other obligation which shall be evidenced by *Förlagsbevis* or shall otherwise be or shall purport to be subordinated debt of the Bank or which shall at the time it is so created, issued, assumed or otherwise incurred, or at any time thereafter, be considered to be capital of the Bank for any regulatory purposes unless such obligation ranks junior to or *pari passu* with the Notes in the case of any distribution of assets by the Bank in any liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank.

### 3C. Status — Undated Subordinated Notes

**3C.01** This Condition 3C is applicable in relation to Notes specified in the applicable Final Terms as being Undated Subordinated Notes. The Notes constitute unsecured, subordinated obligations of the Bank. In the event of the voluntary or involuntary liquidation (*likvidation*) of the Bank or the bankruptcy (*konkurs*) of the Bank, the rights of the Holders of the Notes to payments on or in respect of the Notes, whether or not the whole or any part of the principal amount of the Notes (together with Arrears of Interest) (as defined below) has been made available in meeting losses of the Bank and such amount has been utilised as described below, shall rank:

- (i) *pari passu* without any preference among such Notes;
- (ii) at least *pari passu* with all outstanding undated subordinated obligations (other than Capital Instruments (as defined in Condition 3D.01) of the Bank whether or not so converted as described below;
- (iii) in priority to payments to holders of Capital Instruments and all classes of share capital of the Bank in their capacity as such holders; and
- (iv) junior in right of payment to the payment of any present or future claims of (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank, and (c) subordinated creditors of the Bank in respect of subordinated indebtedness having a fixed maturity.

The Bank reserves the right to issue or incur other undated subordinated obligations in the future, provided, however, that any such undated subordinated obligations may not in the event of voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, rank prior to the Notes.

To the extent that may be required in order to avoid the Bank being obliged to enter into liquidation (*likvidation*), the shareholders of the Bank, by resolution passed at a general meeting, may decide that the principal amount of the Notes (together with Arrears of Interest) be utilised in meeting losses of the Bank, by writing down the principal amount (together with Arrears of Interest) by the amount required to avoid liquidation and, if so specified in the applicable Final Terms, converting such amount into a conditional capital contribution (*villkorat kapitaltillskott*), the amount which has been so utilised is referred to as the **Converted Amount** and references in this Condition to utilised shall mean **utilised** and so converted where conversion is specified in the applicable Final Terms as applying.

Interest will not accrue on the Converted Amount but Holders of the Notes shall be compensated for loss of interest before payments to shareholders are made, as further described below.

Utilisation of the principal amount of the Notes (together with Arrears of Interest) for the purpose of meeting losses shall be made *pro rata* to the principal amount (and accrued but unpaid interest) of any other undated subordinated debt (other than Capital Instruments) of the Bank outstanding at the time of such utilisation. Utilisation of the principal amount of the Notes (and Arrears of Interest) as aforesaid may only be made provided that (a) the Swedish Financial Supervisory Authority shall have given its approval thereto and (b) the Articles of Association of the Bank shall, in connection with the implementation of such decision, have been amended by the incorporation of a duly registered provision substantially to the following effect (unless the same is provided for under Swedish law or unless the Articles of Association have previously been amended in connection with a prior such utilisation of the Notes or of other undated subordinated debt for the purpose of meeting losses and such provision has not since been amended):

“Until an amount equal to the portion of the principal amount of the Notes (and of Arrears of Interest), which has been utilised, has been reinstated as debt in full in the balance sheet of the Bank or such amount has been redeemed (such redemption having been approved by the Swedish Financial Supervisory Authority) and the Bank has paid an amount equal to the interest (calculated in accordance with the terms for calculating Arrears of Interest) that would have accrued on the Notes in the absence of the utilisation of such amount as aforesaid, the Bank may neither distribute dividends nor otherwise make payments to its shareholders (except (i) in respect of claims that, in bankruptcy (*konkurs*) or liquidation (*likvidation*), would have priority in right of payment over undated subordinated obligations which are not Capital Instruments or (ii) in connection with the distribution of assets in the event of merger as provided by law) nor redeem any capital contributions that may have been made by

shareholders (*aktieägartillskott*). Notwithstanding the foregoing, the Bank may, however, make payments to its shareholders, provided that, in connection with such payment, other measures are taken (i) to ensure that neither the capital stock (including restricted reserves) nor the non-restricted reserves of the Bank will be reduced as compared with the amount of the capital stock (including restricted reserves) and of the non-restricted reserves prior to the payment decision or (ii) which will otherwise ensure that the interests of the Holders of the Notes are not adversely affected in any respect as a result of such payment to shareholders.”

Utilisation (as described above) of the principal of the Notes (and Arrears of Interest) shall not constitute an Event of Default under the terms of the Notes.

**3C.02** Reconversion and reinstatement as debt of the Converted Amount (in whole or in part) and payment of an amount equal to the interest that would have accrued on the Notes in the absence of such conversion may only be made out of unappropriated earnings (*disponibla vinstmedel*) of the Bank according to its adopted balance sheet and subject to a resolution of the shareholders passed at a general meeting. Reconversion and reinstatement shall first be made in respect of undated subordinated debt (other than Capital Instruments) issued by the Bank. Reconversion and reinstatement as debt of the Converted Amount shall be made *pro rata* with any amounts converted in respect of undated subordinated debt (other than Capital Instruments) of the Bank.

**3C.03** If the Bank has so made available the Notes to meet losses, on any redemption of the Notes (such redemption having been approved by the Swedish Financial Supervisory Authority), all of the Notes including the Converted Amount (and not part only) shall be redeemed, and interest accrued thereon to the date of such redemption paid in full (including Arrears of Interest, together with Additional Interest Amounts (as defined below) thereon and the amount which would otherwise have been payable in respect of interest on the amount so converted had such amount not been converted).

During any period(s) in which part of the principal amount of the Notes has been made available and utilised as aforesaid, interest shall accrue on the balance of the principal amount of the Notes at the appropriate rate of interest.

If and to the extent that the Converted Amount has been reconverted and reinstated as debt in the balance sheet of the Bank, interest thereon shall start to accrue again and become payable in accordance with the terms of the Notes, as from the date of such reinstatement.

The Notes may be utilised as described above on one or more occasions.

### **3D. Status — Capital Contribution Securities**

**3D.01** This Condition is applicable in relation to Notes specified in the applicable Final Terms as being Capital Contribution Securities. The Notes constitute unsecured, subordinated obligations of the Bank. In the event of the voluntary or involuntary liquidation (*likvidation*) of the Bank or the bankruptcy (*konkurs*) of the Bank, the rights of the Holders of the Notes to payments on or in respect of the Notes, whether or not the whole or any part of the principal amount of the Notes (together with Accrued Interest) (as defined below) has been made available in meeting losses of the Bank and such amount has been utilised as described below, shall rank:

- (i) *pari passu* without any preference among such Capital Contribution Securities;
- (ii) at least *pari passu* with any other outstanding Capital Instruments (as defined below) and claims of any other subordinated creditors the claims of which are expressed to rank *pari passu* with the Capital Contribution Securities, whether or not so converted as described below;
- (iii) in priority to payments to holders of all classes of share capital of the Bank in their capacity as such holders; and
- (iv) junior in right of payment to the payment of any present or future claims of (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank, (c) subordinated creditors of the Bank in respect of subordinated indebtedness having a fixed maturity and (d) except as expressed in (ii) above, subordinated creditors of the Bank in respect of undated subordinated obligations.

For this purpose:

**Accrued Interest** means interest accrued from and including the immediately preceding Interest Payment Date to but excluding the date on which Utilisation (as described below) takes place.

**Capital Instruments** means any subordinated and undated debt instruments of the Bank, the right to periodic interest or other payments in respect of which are non-cumulative and limited by reference to the Available Distributable Funds (*utdelingsbara medel*) of the Bank and which rank *pari passu*, as to payments in a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, with the Capital Contribution Securities and includes (without limitation and for the avoidance of doubt) the Capital Contribution Securities.

The Bank reserves the right to issue or incur other Capital Instruments in the future, provided, however, that any such Capital Instruments may not in the event of voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank rank prior to the Capital Contribution Securities.

To the extent that may be required in order to avoid the Bank being obliged to enter into liquidation (*likvidation*), the shareholders of the Bank, by resolution passed at a general meeting, may decide that the principal amount of the Capital Contribution Securities (together with Accrued Interest) be utilised in meeting losses of the Bank, by writing down the principal amount (together with Accrued Interest) by the amount required to avoid liquidation and, if so specified in the applicable Final Terms, converting such amount into a conditional capital contribution (*villkorat kapitaltillskott*), the amount which has been so utilised is referred to as the **Converted Amount** and references in this Condition to **utilised** shall mean utilised and so converted where conversion is specified in the applicable Final Terms as applying.

Interest will not accrue on the Converted Amount.

Utilisation of the principal amount of the Capital Contribution Securities (together with Accrued Interest) for the purpose of meeting losses shall be made prior to the utilisation for the same purpose of undated subordinated obligations not constituting Capital Instruments, issued by the Bank and shall be made *pro rata* to the principal amount (together with Accrued Interest) of all Capital Instruments outstanding at the time of such utilisation. Utilisation of the principal amount of the Capital Contribution Securities (and Accrued Interest) as aforesaid may only be made provided that (a) the Swedish Financial Supervisory Authority shall have given its approval thereto and (b) the Articles of Association of the Bank shall, in connection with the implementation of such decision, have been amended by the incorporation of a duly registered provision substantially to the following effect (unless the same is provided for under Swedish law or unless the Articles of Association have previously been amended in connection with a prior such utilisation of the Capital Contribution Securities or of other Capital Instruments for the purpose of meeting losses and such provision has not since been amended):

“Until an amount equal to the portion of the principal amount of the Capital Contribution Securities (and of unpaid interest from the immediately preceding interest payment date or, if none, the interest commencement date), which has been utilised, has been reinstated as debt in full in the balance sheet of the Bank or such amount has been redeemed (such redemption having been approved by the Swedish Financial Supervisory Authority) the Bank may neither distribute dividends nor otherwise make payments to its shareholders (except (i) in respect of claims that, in bankruptcy (*konkurs*) or liquidation (*likvidation*), would have priority in right of payment over undated non-cumulative subordinated obligations or (ii) in connection with the distribution of assets in the event of merger as provided by law) nor redeem any capital contributions that may have been made by shareholders (*aktieägartillskott*). Notwithstanding the foregoing, the Bank may, however, make payments to its shareholders, provided that, in connection with such payment, other measures are taken (i) to ensure that neither the capital stock (including restricted reserves) nor the non-restricted reserves of the Bank will be reduced as compared with the amount of the capital stock (including restricted reserves) and of the non-restricted reserves prior to the payment decision or (ii) which will otherwise ensure that the interests of the Holders of the Capital Contribution Securities are not adversely affected in any respect as a result of such payment to shareholders.”

Utilisation (as described above) of the principal of the Capital Contribution Securities (and Accrued Interest) shall not constitute an Event of Default under the terms of the Capital Contribution Securities.

**3D.02** Reconversion and reinstatement as debt of the Converted Amount (in whole or in part) may only be made out of unappropriated earnings (*disponibla vinstmedel*) of the Bank according to its adopted balance sheet and subject to a resolution of the shareholders passed at a general meeting. Reconversion and reinstatement as debt of the Converted Amount shall be made *pro rata* with any amounts converted in respect of other Capital Instruments and shall be made in respect of undated subordinated debt (other than Capital Instruments) issued by the Bank before it is made in respect of Capital Instruments.

**3D.03** If the Bank has so made available the Capital Contribution Securities to meet losses, on any redemption of the Capital Contribution Securities (such redemption having been approved by the Swedish Financial Supervisory Authority), all of the Capital Contribution Securities including the Converted Amount (and not part only) shall be redeemed at a redemption price equal to the original principal amounts of the Capital Contribution Securities (less the principal amount of all Capital Contribution Securities which have been purchased and cancelled as described below) together with Accrued Interest.

During any period(s) in which part of the principal amount of the Capital Contribution Securities has been made available and utilised as aforesaid, interest shall accrue on the balance of the principal amount of the Capital Contribution Securities at the appropriate rate of interest.

If and to the extent that the Converted Amount has been reconverted and reinstated as debt in the balance sheet of the Bank, interest thereon shall start to accrue again and become payable in accordance with the terms of the Capital Contribution Securities, as from the date of such reinstatement.

The Capital Contribution Securities may be utilised as described above on one or more occasions.

No Holder who shall in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank be indebted to it shall be entitled to exercise any right of set-off or counterclaim against money owed by the Bank in respect of the Capital Contribution Securities held by such Holder.

### **3E. Status — Covered Bonds**

**3E.01** This Condition 3E is applicable to Notes specified in the applicable Final Terms as being Covered Bonds. The Covered Bonds of each Series constitute unsubordinated obligations of the Bank and rank *pari passu* without any preference among themselves. The Covered Bonds are obligations issued or converted in accordance with the Covered Bond Act and rank *pari passu* with all other obligations of the Bank that have been provided the same priority as Covered Bonds pursuant to the Swedish Preferential Rights of Creditors Act (1970:979) (*förmånsrättslagen (1970:979)*). To the extent that claims in relation to the Covered Bonds are not met out of the pool of assets, the residual claims will rank *pari passu* with the unsecured and unsubordinated obligations of the Bank.

In accordance with the Covered Bond Act, the Bank intends to ensure that the nominal value of the assets in the cover pool (the **Cover Pool**) relating to the Covered Bonds and established in accordance with the Covered Bond Act will at all times exceed the nominal value of claims that may be asserted against the Bank in relation to the Covered Bonds. In addition, the Bank undertakes that if the Rating Condition is not, at any time, met, then, on each Quarter Date (or, if such Quarter Day is not a Business Day, the next following Business Day) during which the Rating Condition is not met, the Bank will, to the extent necessary at the time, contribute additional assets to the Cover Pool which are eligible to be contributed to the Cover Pool in accordance with the Covered Bond Act to ensure that the aggregate nominal value of the assets in the Cover Pool exceeds the sum of (i) the nominal value of claims that may be asserted against the Bank in relation to the Covered Bonds and (ii) the sum of the Set-Off Amounts in respect of all Relevant Mortgages.

For this purpose:

**Business Day** means a day on which commercial banks are open for general business in Stockholm.

**Moody's** means Moody's Investors Services, Inc.

**Quarter Dates** means, (i) any date on which the long-term senior unsecured obligations on the Bank cease to be rated "A3" or above by Moody's or the equivalent of "A3" by such other internationally

recognised rating agency (as described in the definition of Rating Condition) and (ii) each other date that falls three months after the last preceding Quarter Date.

**Rating Condition** means either (i) if the Bank is at the time rated by Moody's, its long-term senior unsecured obligations are rated "A3" or above or (ii) if the Bank is not at the time rated by Moody's, it is rated by at least one other internationally recognised rating agency and its long-term senior unsecured obligations are rated by such agency at least the equivalent of an "A3" rating by Moody's.

**Relevant Mortgagors** means those mortgagors whose mortgage loans are included in the Cover Pool and who also hold deposits with or have otherwise lent money to the Bank.

**Set-Off Amount** means, in respect of each Relevant Mortgagor, the lesser of (i) all claims of such Relevant Mortgagor against the Bank (including deposits) and (ii) the nominal value of mortgage loans owed by such Relevant Mortgagor that are included in the Cover Pool.

#### 4. Interest

##### 4A. Interest — Fixed Rate

If the Notes are specified in the applicable Final Terms as being Fixed Rate Notes, the Notes shall bear interest on their outstanding nominal amount (or if this Note is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date at the rate or rates per annum equal to the Rate(s) of Interest. Such interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date. For so long as any of the Fixed Rate Notes are represented by a Global Note, interest will be calculated on the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up). In respect of each Fixed Rate Note in definitive form, interest will be calculated on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

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 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 (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

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.

In this Condition 4A, **Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4A:

- (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) 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 (as defined below) 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 number of days in the Accrual Period is longer than the Determination Period during which the Accrual Periods 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 (A) the number of days in such Determination Period and (B) the number of Determination Dates 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 (A) the number of days in such Determination Period and (B) 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 a 360-day year consisting of 12 months of 30 days each) divided by 360.

In these Terms and Conditions:

**Determination Period** means each 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.

#### **4B. Interest — Floating Rate and Index Linked Interest**

**4B.01** If the Notes are specified in the applicable Final Terms as being Floating Rate Notes or Index Linked Interest Notes, the Notes shall bear interest from and including the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, 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). For so long as any of the Floating Rate Notes or Index Linked Interest Notes are represented by a Global Note, interest will be calculated on the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up). In respect of each Floating Rate Note or Index Linked Interest Note in definitive form, interest will be calculated on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

If a Business Day Convention is specified in the applicable Final Terms and (a) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (b) 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 paragraph (ii) above, the Floating Rate Convention, such Interest Payment Date (I) in the case of (a) 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 (b) 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 Conditions, **Business Day** means a day which is both:

- (X) 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 London and any Additional Business Centre specified in the applicable Final Terms; and
- (Y) either (aa) 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 and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (bb) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

**4B.02** The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

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

- (a) the Floating Rate Option is as specified in the applicable Final Terms;
- (b) the Designated Maturity is a period specified in the applicable Final Terms; and
- (c) the relevant Reset Date is either (1) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**), the first day of that Interest Period or (2) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (i), **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.



(ii) *Screen Rate Determination for Floating Rate Notes*

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

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined by the Fiscal 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 Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Fiscal 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 (a) above, no such offered quotation appears or, in the case of (b) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

**4B.03** 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 Condition 4B.02 is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

**4B.04** 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 Condition 4B.02 is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

**4B.05** The Fiscal Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, 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. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the full amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

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 or an Index Linked Interest 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.

In this Condition 4B.05, **Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

- (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; and

- (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.

**4B.06** The Fiscal 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 Bank and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 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 or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 13. 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.

**4B.07** All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Bank, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

**4C. Interest — Dual Currency Interest, Commodity Linked Interest, Equity Linked Interest, Credit Linked Interest and Fund Linked Interest**

In the case of Dual Currency Interest Notes, Commodity Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Interest Notes and Fund Linked Interest Notes, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

**4D. Interest — Partly Paid**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

**4E. Interest — Continued Accrual**

Each Note (or in the case of the redemption of part only of an 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. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

**4F. Optional Interest Payment Date, Arrears of Interest and Additional Interest Amount in respect of Undated Subordinated Notes**

**4F.01** This Condition 4F is applicable in relation to Notes specified in the applicable Final Terms as being Undated Subordinated Notes. On any Optional Interest Payment Date (as defined below) there may be paid (if the Bank so elects) the interest in respect of the Notes accrued to that date, but the Bank shall not have any obligation to make such payment and any such failure to pay shall not constitute a default by the Bank for any purpose. Any interest in respect of the Notes not paid on an Optional Interest Payment Date shall so long as the same remains outstanding constitute **Arrears of Interest** and shall be payable as outlined below.

An **Optional Interest Payment Date** means an Interest Payment Date in respect of which, in the preceding 12 month period, no dividend has been declared or paid on any class of shares of the Bank.

**4F.02** Arrears of Interest (together with the corresponding Additional Interest Amount (as defined below)) may at the option of the Bank be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the date upon which a dividend is next paid on any class of shares of the Bank;
- (ii) the date fixed for any repayment of the Notes; or
- (iii) the commencement of a liquidation (*likvidation*) of or bankruptcy (*konkurs*) proceedings in respect of the Bank.

Each amount of Arrears of Interest shall bear interest (as if it constituted the principal of the Notes) at a rate which corresponds to the Rate of Interest from time to time applicable to the Notes and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this Condition 4F.02 and shall be calculated by the Fiscal Agent applying the Rate of Interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in Condition 4B. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

**4F.03** The Bank shall give not more than 25 nor less than 20 Business Days' prior notice to the Holders of the Notes:

- (i) of any Optional Interest Payment Date on which, pursuant to the provisions of Condition 4F.01 above, interest will not be paid; and
- (ii) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable.

**4F.04** If amounts in respect of Arrears of Interest and Additional Interest Amounts become partially payable:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note or Coupon in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

#### **4G. Limitations on Payment of Interest in respect of Capital Contribution Securities**

This Condition 4G applies only to Capital Contribution Securities.

Payments of interest in any fiscal year are limited to, and may not exceed, the accumulated Available Distributable Funds (*utdelningsbara medel*) of the Bank as of the end of the preceding fiscal year. To the extent that accumulated Available Distributable Funds (*utdelningsbara medel*) as of the end of the preceding fiscal year are insufficient to pay or to provide for payment in full of all accrued but unpaid interest and the claims of Holders of other Capital Instruments of the Bank, the Bank will make partial payment of all accrued but unpaid interest and such other claims *pro rata* to the extent of such Available Distributable Funds (*utdelningsbara medel*). If, and to the extent that Available Distributable Funds (*utdelningsbara medel*) are not available and the Bank makes partial payment of, or does not pay, accrued interest, the right of Holders of Capital Contribution Securities to receive accrued but unpaid interest in respect of any such Interest Period will be lost. The Bank will have no obligation to make such payments of unpaid interest or to pay interest thereon, whether or not payments of interest in respect of subsequent interest periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose.

In respect of any fiscal year of the Bank (the **relevant year**), to the extent that the amount of Available Distributable Funds (*utdelningsbara medel*) of the Bank as of the end of the preceding fiscal year exceeds the full amount of interest due in the relevant year in respect of the Capital Contribution Securities (and all other Capital Instruments) issued by the Bank), the Bank is obliged to pay such interest in full. If the Bank is unable to pay interest in full on the Capital Contribution Securities (and all other Capital Instruments issued by the Bank) in any relevant year as a result of the amount of Available Distributable Funds (*utdelningsbara medel*) as of the preceding fiscal year being less than the aggregate interest amount due in the relevant year, the Bank may not make or pay any distribution in respect of any class of share capital of the Bank out of those Available Distributable Funds (*utdelningsbara medel*) and will only make payment of interest in respect of the Capital Contribution Securities and all other Capital Instruments of the Bank on a *pro rata* basis.

In determining whether or not to pay a dividend on its ordinary share capital out of Available Distributable Funds (*utdelningsbara medel*), the Bank is subject to relevant principles of Swedish law, including Chapter 17, Section 3 of the Swedish Companies Act 2005:551 which provides that "a value transfer may not take place where, after the transfer, there is insufficient coverage for the company's restricted equity." For these purposes, a "value transfer" would include a dividend.

If the Bank does not have sufficient Available Distributable Funds (*utdelningsbara medel*) to pay the accrued interest on the Capital Contribution Securities from time to time, the Bank shall give not less than five Business Days' prior notice to the Holders in accordance with Condition 13.

Each of **Available Distributable Funds** (*utdelningsbara medel*) and **unappropriated earnings** (*disponibla vinstmedel*) of the Bank shall mean that amount which, under the laws of the Kingdom of Sweden (including under all corporate and bank regulatory laws, rules and regulations relating to minimum capital requirements) from time to time in force, is available as of the end of any fiscal year (including the profit reported on the balance sheet for such fiscal year as approved by the Bank's shareholders) to be distributed by the Bank to its shareholders.

## **5. Redemption and Purchase**

### *Redemption at Maturity*

**5.01** Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed by the Bank at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date. Undated Subordinated Notes and Capital Contribution Securities have no final maturity and are only redeemable or repayable in accordance with the following relevant provisions of this Condition and the applicable Final Terms.

### *Early Redemption for Taxation Reasons*

**5.02** If, as a result of any change in or amendment to applicable law (which change or amendment occurs after the Issue Date of the first Tranche of the Notes), the Bank determines that it would, on the occasion of the next payment in respect of the Notes, be required to pay additional amounts in accordance with Condition 7, then the Bank may, upon the expiry of the appropriate notice, redeem all (but not some only) of the Notes in whole, but not in part, at any time (if this Note is not a Floating Rate Note, an Index Linked Interest Note, a Dual Currency Interest Note, a Commodity Linked Interest Note, an Equity Linked Interest Note, a Credit Linked Interest Note or a Fund Linked Interest Note) or on any Interest Payment Date (if this Note is a Floating Rate Note, an Index Linked Interest Note, a Dual Currency Interest Note, a Commodity Linked Interest Note, an Equity Linked Interest Note, a Credit Linked Interest Note or a Fund Linked Interest Note). Each Note so redeemed will be redeemed at the Early Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### *Optional Early Redemption (Issuer Call)*

**5.03** If Issuer Call is specified in the applicable Final Terms, then the Bank may, upon the expiry of the appropriate notice and subject to such conditions as may be specified in the applicable Final Terms, redeem all (but not, unless and to the extent that the applicable Final Terms specifies otherwise, 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 to (but excluding) the relevant Optional Redemption Date.

**5.04** The appropriate notice referred to in Conditions 5.02 and 5.03 is a notice given by the Bank to the Fiscal Agent, the Registrar (in the case of Registered Notes) and the Holders of the Notes, which notice shall be signed by two duly authorised officers of the Bank and shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate nominal amount of the Notes which are to be redeemed; and
- (iii) the due date for such redemption, which shall be a Business Day which is not more than sixty days and not less than thirty days (or such lesser period as may be specified in the applicable Final Terms) after the date on which such notice is validly given and which is (in the case of Floating Rate Notes, Index Linked Interest Notes, Dual Currency Interest Notes, Commodity Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Interest Notes or Fund Linked Interest Notes) an Interest Payment Date.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Bank to make the redemption therein specified.

*Partial Redemption*

**5.05** If the Notes are to be redeemed in part only on any date in accordance with Condition 5.03:

- (i) such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount;
- (ii) in the case of definitive Notes, the Notes to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange, listing authority and/or quotation system on which the Notes may be listed, traded and/or quoted; and
- (iii) in the case of Notes represented by one or more Global Notes, the Notes shall be redeemed 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/or DTC.

*Optional Early Redemption (Investor Put)*

**5.06** If this Note is an Unsubordinated Note and if Investor Put is specified in the applicable Final Terms, then upon the holder of any Note giving to the Bank in accordance with Condition 13 not less than 15 nor more than 30 days' notice the Bank 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 to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 5.06 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the Holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (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 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2 and accompanied by this Note or evidence satisfactory to the Paying Agent concerned (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) 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 Paying Agent (in the case of Bearer Notes) and the Registrar (in the case of Registered Notes) 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 for them to the Paying Agent or, as the case may be, the Registrar, by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg 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 Bank to withdraw the notice given

pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 6.

#### *Early Redemption Amounts*

**5.07** For the purpose of Condition 5.02 above and Condition 6, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of an Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of an Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^{(y)}$$

where:

**RP** means the Reference Price;

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

**y** is a fraction the numerator of which is 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 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 of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

#### *Instalments*

**5.08** Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5.07.

#### *Partly Paid Notes*

**5.09** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

#### *Purchase of Notes*

**5.10** The Bank may at any time purchase Notes in the open market or otherwise and at any price provided that all (if any) unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith.

#### *Cancellation of Redeemed and Purchased Notes*

**5.11** All unmatured Notes redeemed or purchased in accordance with this Condition 5 and all unmatured Receipts, Coupons and Talons attached thereto or surrendered or purchased therewith will be cancelled and may not be reissued or resold. References in this Condition 5 to the purchase of Notes by the Bank shall not include the purchase of Notes in the ordinary course of business of dealing in securities or the purchase of Notes otherwise than as beneficial owner.



*Late payment on Zero Coupon Notes*

**5.12** If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5.01, 5.02, 5.03 or 5.06 above or upon its becoming due and repayable as provided in Condition 6 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5.07(iii) 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 Note has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

*Redemption upon Tax Event or Capital Event: Capital Contribution Securities*

**5.13** This Condition 5.13 applies only to Capital Contribution Securities.

Upon the occurrence of a Tax Event or a Capital Event but subject to the prior approval of the Swedish Financial Supervisory Authority, the Bank may, at its option, having given not less than 30 days' nor more than 60 days' notice to the Holder of the Notes and the relative Receipts and Coupons (if any) in accordance with Condition 13 (which notice shall be irrevocable), at any time or, if the Capital Contribution Securities are Floating Rate Notes, on any Interest Payment Date redeem all (but not some only) of the Capital Contribution Securities at the Optional Redemption Amount. Upon the expiry of any such notice, the Bank shall be bound to redeem the Capital Contribution Securities.

Upon the expiry of any notice as is referred to in the paragraph above, the Bank shall be bound to redeem the Capital Contribution Securities to which the notice refers. For the avoidance of doubt, upon the expiry of the notice referred to in the previous sentence, the Holders will have a matured claim and therefore, if the Bank fails to redeem the Capital Contribution Securities in full on the date of redemption, the Holders may enforce the payment of such claim against the Bank notwithstanding that the Bank is not in bankruptcy (*konkurs*) or liquidation (*likvidation*).

For the purposes of these Conditions:

A **Tax Event** means the receipt by the Bank of an opinion of counsel in the Kingdom of Sweden (experienced in such matters) to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of the Kingdom of Sweden or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position with respect to such governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, or change is effective or such pronouncement or decision is announced on or after the Issue Date of the Capital Contribution Securities, there is more than an insubstantial risk that (A) the Bank is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Capital Contribution Securities or (B) the treatment of any of the Bank's items of income or expense with respect to the Capital Contribution Securities as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Bank will not be respected by a taxing authority, which subjects the Bank to more than a *de minimis* amount of additional taxes, duties or other governmental charges.

A **Capital Event** means the determination by the Bank on or after the Issue Date of the Capital Contribution Securities after consultation with the Swedish Financial Supervisory Authority that the Capital Contribution Securities are not eligible for inclusion in the Tier 1 capital of the Bank.

**Tier 1 capital** means Tier 1 capital (*primärt kapital*) as defined in Sections 1 to 4 of Chapter 3 of the Swedish Capital Adequacy and Large Exposures Act (*Lag (2006:1371) om kapitaltäckning och stora exponeringar*), as amended or replaced.

## **6. Events of Default**

### **6A. Events of Default — Unsubordinated Notes**

**6A.01** This Condition 6A is applicable in relation to Notes specified in the applicable Final Terms as being Unsubordinated Notes. Unless otherwise specified in the applicable Final Terms, the following events or circumstances (each an **Event of Default**) shall be events of default in relation to the Notes, namely:

- (i) the Bank shall default in the payment of principal or other redemption amount in respect of any Note for a period of seven days or of any interest in respect of any Note for a period of 30 days, in each case when and as the same ought to be paid; or
- (ii) a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Bank or all or substantially all of its property, or for the winding up of or liquidation of its affairs, and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days; or
- (iii) the Bank shall file a petition to take advantage of any insolvency statute or shall voluntarily suspend payment of its obligations; or
- (iv) default shall be made by the Bank in the performance or observance of any obligation, condition or provision binding on it under the Notes and, except where such default is not capable of remedy (in which case no such notice or continuation as is hereinafter referred to will be required), such default shall continue for thirty days after written notice thereof has been given by the holder of any Note to the Bank requiring the same to be remedied.

**6A.02** If any Event of Default shall occur and be continuing in relation to any Notes, then the Holder thereof shall be entitled to give notice to the Bank that such Note is immediately redeemable, whereupon the Bank shall immediately redeem such Note at its Early Redemption Amount together with accrued interest (if any) to (but excluding) the date of repayment.

### **6B. Events of Default — Subordinated Notes**

**6B.01** This Condition 6B is applicable in relation to Notes specified in the applicable Final Terms as being Dated Subordinated Notes or Undated Subordinated Notes but shall not be applicable to Capital Contribution Securities. The Holder of any Note may, by notice to the Bank, declare his Note to be due and payable, and such Note shall accordingly, subject to Condition 6B.02 below, become due and payable at its principal amount together with accrued interest to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in any of the following circumstances (each an Event of Default):

- (i) the Bank shall default in the payment of principal in respect of any Note which has become due and payable in accordance with its terms for a period of seven days or the Bank, having paid a dividend in the preceding 12 month period ending on an Interest Payment Date, so that such Interest Payment Date is not an Optional Interest Payment Date, shall default in the payment of interest on any Notes on such Interest Payment Date for a period of 30 days; or
- (ii) a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, bankruptcy, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Bank or all or substantially all of its property, or for the winding up of or liquidation of its affairs, and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligation of the Bank under the Notes); or

- (iii) the Bank shall file a petition to take advantage of any insolvency statute or voluntarily suspend payment of its obligations (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligation of the Bank under the Notes).

**6B.02** If an Note has been declared due and payable under Condition 6B.01, the Holder of such Note may claim payment in respect of the Note only in bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank and may therefore institute such steps, including the obtaining of a judgment against the Bank for any amount due in respect of the Notes, as it thinks desirable with a view to having the Bank declared bankrupt (*konkurs*) or put into liquidation (*likvidation*).

**6B.03** The Holder of an Note may at its discretion institute such proceedings against the Bank as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Bank under the Notes (other than, without prejudice to Condition 6B.02 above, any obligation for the payment of any principal or interest in respect of the Notes) provided that the Bank 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.

**6B.04** No remedy against the Bank, other than as provided in Conditions 6B.02 and 6B.03 above or proving or claiming in the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank in the Kingdom of Sweden or elsewhere instituted by the Bank itself or by a third party, 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 Bank of any of its obligations or undertakings under the Notes.

#### **6C. Events of Default — Capital Contribution Securities**

**6C.01** This Condition 6C is applicable in relation to Notes specified in the applicable Final Terms as being Capital Contribution Securities. The Holder of any Capital Contribution Security may at its discretion give notice to the Bank that the Capital Contribution Security is, and it shall accordingly, subject to the provisions thereof, forthwith become, immediately due and payable at its principal amount together with interest accrued to the date of payment, in any of the following circumstances (each an Event of Default) occurs:

- (i) the Bank shall, there being Available Distributable Funds (*utdelningrbara medel*) available to make such payment, default in the payment of interest on any Capital Contribution Security on any Interest Payment Date for a period of 30 days; or
- (ii) a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, bankruptcy, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Bank or all or substantially all of its property or for the winding up of or liquidation of its affairs and such proceedings, decree or order shall not have been vacated or shall have remained in force, undischarged or unstayed for a period of 60 days (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligation of the Bank under the Capital Contribution Securities); or
- (iii) the Bank shall file a petition to take advantage of any insolvency statute or shall voluntarily suspend payment of its obligations (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligation of the Bank under the Capital Contribution Securities).

**6C.02** If a Capital Contribution Security has been declared due and payable under Condition 6C.01 (other than in the circumstances described in the second paragraph of Condition 5.13), the Holder may claim payment in respect of the Capital Contribution Securities only in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank for any amount due in respect of the Capital Contribution Securities and may therefore institute such steps, including the obtaining of a judgment against the Bank, as it thinks desirable with a view to having the Bank declared bankrupt (*konkurs*) or put into liquidation (*likvidation*).

**6C.03** The Holder of a Capital Contribution Security may at its discretion institute such proceedings against the Bank as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Bank under the Capital Contribution Securities (other than, without prejudice to Condition 6C.02 above, any obligation for the payment of any principal or interest in respect of the Capital Contribution Securities) provided that the Bank shall not by virtue of the instituting of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

**6C.04** No remedy against the Bank, other than as provided in Conditions 6C.02 and 6C.03 above, or proving or claiming in the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank in the Kingdom of Sweden or elsewhere initiated by the Bank itself or by a third party, shall be available to the Holders, whether for the recovery of amounts owing in respect of the Capital Contribution Securities or in respect of any breach by the Bank of any of its obligations or undertakings with respect to the Capital Contribution Securities.

#### **6D. Covered Bonds — no Events of Default**

For the avoidance of doubt, none of the provisions of this Condition 6 shall apply to any Series of Notes specified in the applicable Final Terms as being Covered Bonds.

### **7. Taxation**

**7.01** All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and 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 the Kingdom of Sweden or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law.

In that event, (A) in relation to any Series of Notes specified in the applicable Final Terms as being Covered Bonds, such withholding or deduction will be made by the Bank without payment of any additional amounts and, (B) in relation to all other Series of Notes, the Bank will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holders after such withholding or deduction shall equal the respective amounts which would have been receivable in the absence of such withholding or deduction, except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon:

- (i) the Holder of which is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of such Note, Receipt or Coupon; or
- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) presented for payment (where presentation is required) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (iv) presented for payment (where presentation is required) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days.

**7.02** For the purposes of these Terms and Conditions, the **Relevant Date** means the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the Notes in accordance with Condition 13.

**7.03** Any reference in these Terms and Conditions to principal and/or interest 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 this Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts which may be payable by the Bank 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 this Condition 7.

## **8. Payments**

### **8A. Payment — Bearer Notes**

**8A.01** This Condition 8A is applicable in relation to Notes specified in the applicable Final Terms as being in bearer form.

**8A.02** 8A.02 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 (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) 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 and Auckland, respectively); and
- (ii) payments in euro will be made 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 any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

**8A.03** Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 8A.02 only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer 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)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 8A.02 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 8A.02 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Bank. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes, Commodity Linked Notes, Equity Linked Notes, Credit Linked Notes, Fund Linked Notes or 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 7) 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 bearer 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, Dual Currency Note, Index Linked Note, Commodity Linked Note, Equity Linked Note, Credit Linked Note, Fund Linked Note or Long Maturity Note in definitive bearer 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 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 Bearer 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 Bearer Note.

**8A.04** Payments of principal and interest (if any) in respect of Notes represented by a Bearer Global Note will (subject as provided below) be made in the manner specified in Condition 8A.02 and 8A.03 in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

**8A.05** 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 Bank 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 Bank, adverse tax consequences to the Bank.

## **8B. Payments — Registered Notes**

**8B.01** This Condition 8B is applicable in relation to Notes specified in the applicable Final Terms as being in registered form.

**8B.02** Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar. Such payments will be made by transfer to the Designated Account (as defined below) of the Holder (or the first named of joint Holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the **business day** (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a Holder does not have a **Designated Account** or (ii) the nominal amount of the Notes held by a Holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a **Designated Bank** (as defined below). For these purposes, Designated Account means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a Holder with a Designated Bank and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro) 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 and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located on the relevant due date to the Holder (or the first named of joint Holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the Holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the Holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such Holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent named in the Fiscal Agency Agreement on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Fiscal Agency Agreement.

None of the Bank, the Registrar or the Paying Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the

Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### **8C. Payments — General Provisions**

**8C.01** Save as otherwise specified herein, this Condition 8C is applicable in relation to Notes whether in bearer form or in registered form.

**8C.02** 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 Bank 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, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Bank to, or to the order of, the holder of such Global Note.

**8C.03** If the date for payment of any amount in respect of any Note, Receipt 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; and
  - (b) any 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 (if other than the place of presentation, and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

#### **9. Prescription**

**9.01** Bearer Notes, Receipts and Coupons will become void unless presented for payment within ten years (or, in the case of Coupons, five years) after the due date for payment.

**9.02** Claims against the Bank in respect of Registered Notes will be prescribed unless made within ten years (or, in the case of claims in respect of interest, five years) after the due date for payment.

**9.03** 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 8A.03 or any Talon which would be void pursuant to Condition 8A.03.

#### **10. The Paying Agents and the Registrar**

The initial Paying Agents and Registrar and their respective initial specified offices are specified below. The Bank reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar and to appoint additional or other Paying Agents or another Registrar provided that it will at all times maintain (i) a Fiscal Agent, (ii) a Registrar, (iii) a Paying Agent with a specified office in continental Europe (but outside the United Kingdom), (iv) a Paying Agent in a



Member State (if any) of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive and (v) so long as any Notes are listed on any stock exchange, a Paying Agent with a specified office in such place as may be required by the rules and regulations of such stock exchange and any other relevant authority. The Paying Agents and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents or the Registrar will be notified promptly to the Holders.

In addition, the Bank shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 8A.05. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Fiscal Agency Agreement, the Registrar and the Paying Agents act solely as agents of the Bank and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Fiscal Agency Agreement contains provisions permitting any entity into which the Registrar or 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 agent.

#### **11. Replacement of Notes**

If any Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons and Talons) or of the Registrar (in the case of Registered Notes), subject to all applicable laws and the requirements of any stock exchange, listing authority and/or quotation system on which the relevant Notes are listed, traded and/or quoted upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Bank and the Fiscal Agent or, as the case may be, the Registrar may require. Mutilated or defaced Notes, Receipts, Coupons and Talons must be surrendered before replacements will be delivered therefor.

#### **12. Meetings of Holders and Modification**

The Fiscal Agency Agreement contains provisions, which are binding on the Bank and the Holders of Notes, Receipts and Coupons, for convening meetings of the Holders of the Notes to consider matters affecting their interests, including the modification or waiver of the Terms and Conditions applicable to the Notes.

The Fiscal Agent and the Bank may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification of the Notes, the Receipts, the Coupons or the Fiscal Agency Agreement which is not prejudicial, as to be determined by the Bank, to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Fiscal Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

#### **13. Notices**

##### *To Holders of Bearer Notes*

**13.01** Notices to Holders of Bearer Notes will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or if such publication is not practicable, if published in a leading English-language newspaper having general circulation in Europe or, in the case of a Bearer Global Note, if delivered to Euroclear and Clearstream,

Luxembourg for communication by them to the persons shown in their respective records as having interests therein and otherwise if given in compliance with the requirements of each stock exchange, listing authority and/or quotation system on which the Notes are listed, admitted to trading and/or quoted. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the fourth day after the date of such delivery.

*To Holders of Registered Notes*

**13.02** Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail to them (or, in the case of joint Holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth day after the date of such mailing.

*To the Bank*

**13.03** Notices to the Bank will be deemed to be validly given if delivered at Kungsträdgårdsgatan 8, SE-106 40 Stockholm and clearly marked on their exterior “Urgent — Attention: SEB Group Treasury” (or at such other address and for such other attention as may have been notified to the Holders of the Notes in accordance with this Condition 13) and will be deemed to have been validly given at the opening of business on the next day on which the Bank’s principal office is open for business.

**14. Further Issues**

The Bank may from time to time without the consent of the Holders create and issue further notes, bonds or debentures having the same terms and conditions as the Notes in all respects (or in all respects except for the amount and date of the first payment of interest on them) so as to form a single series with the outstanding Notes.

**15. 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 Fiscal 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.

**16. Governing Law and Jurisdiction**

**16.01** The Notes, the Fiscal Agency Agreement, the Deed of Covenant, the Deed Poll and any non-contractual obligations arising out of or in respect of the Notes and the Fiscal Agency Agreement are governed by, and shall be construed in accordance with, English law, except with respect to Conditions 3B to 3E.01 (inclusive), which are all governed by, and shall be construed in accordance with, the laws of the Kingdom of Sweden. Any non-contractual obligations arising out of or in respect of Conditions 3B to 3E.01 (inclusive) are governed by, and shall be construed in accordance with, the laws of the Kingdom of Sweden.

**16.02** The Bank irrevocably agrees for the benefit of the Holders of the Notes that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes (respectively, **Proceedings** and **Disputes**), which may arise out of or in connection with the Notes (including any Proceedings or Disputes relating to any non-contractual obligations arising out of or in connection with the Notes) and, for such purposes, irrevocably submits to the jurisdiction of such courts. The Bank irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum. The Bank agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to it at its London branch at Scandinavian House, 2-6 Cannon Street, London EC4M 6XX. In the event of the Bank’s London branch ceasing so to act or ceasing to be registered in England, it shall forthwith appoint a person in England to accept service of process on its behalf in England and notify the name and address

of such person to the Holders in accordance with Condition 13. Nothing contained herein shall affect the right to serve process in any other manner permitted by law. The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Holders or any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

**17. Third Parties**

No person shall have any right to enforce any term or condition of any Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## SUMMARY OF THE SWEDISH LEGISLATION REGARDING COVERED BONDS

*The following is a brief summary of certain features of the Covered Bond Act at the date of this Information Memorandum. It does not purport to be, and is not, a complete description of all aspects of the Swedish legislative and regulatory framework for covered bonds.*

### **New legislation**

On 1st July, 2004, the Covered Bond Act came into force. From that date, Swedish banks and credit market enterprises (each an **Institution** and together the **Institutions**) who have been granted a licence by the Swedish FSA are entitled to issue covered bonds (*säkerställda obligationer*). The Swedish FSA has issued detailed regulations and recommendations under the authority conferred on it by the Covered Bond Act (the **SFSA Regulations**).

Swedish covered bonds may take the form of bonds and other comparable debt instruments (collectively **covered bonds**). Covered bonds are characterised by a priority claim which the holders of covered bonds (and counterparties under derivatives contracts entered into for the purpose of matching) have over a pool of certain assets (the **Cover Pool**) entered into a register.

### **The Register**

Information in respect of all covered bonds, all assets in the Cover Pool and relevant derivative transactions must be entered into a special register (the **Register**) which is maintained by the relevant Institution. The actual registration of the covered bonds and relative derivative contracts in the Register is necessary to confer the priority claim on the Cover Pool. Similarly, only assets entered into the Register are deemed to form part of the Cover Pool.

The Register must show at all times the nominal value of the covered bonds, the Cover Pool and the relative derivative contracts. As a result, the Register requires regular updating, including, without limitation, with regard to interest rate changes, interest periods, changes in outstanding debt and changes in the Cover Pool due to amortisations or the inclusion of new assets. In addition, the value of the underlying collateral securing any mortgage credits included in the Cover Pool must also be entered into the Register.

### **Benefit of a priority claim**

If an Institution that has issued covered bonds is declared bankrupt (*försatt i konkurs*), holders of its covered bonds will be entitled to a priority claim on the Cover Pool pursuant to the Covered Bond Act and the Preferential Rights of Creditors Act (1970:979) (*förmånsrättslagen (1970:979)*). A similar priority claim is afforded to any counterparties to derivative contracts entered into with the Institution for the purpose of hedging financial risks related to covered bonds and the Cover Pool. Those derivative counterparties and the holders of covered bonds rank *pari passu* with joint seniority.

By virtue of the priority described above, holders of covered bonds and the relevant derivative contracts counterparties rank ahead of unsecured creditors and all other creditors of the Institution in respect of assets in the Cover Pool (except for the administrator-in-bankruptcy in respect of fees for his administration of assets in the Cover Pool and the costs of such administration). The priority claim also encompasses cash received by Institutions under relevant derivative contracts provided that certain administrative proceedings are complied with.

There is some uncertainty as to whether a creditor that obtains execution (*utmätning*) against an asset in the Cover Pool more than three months before the Institution's bankruptcy could defeat the priority afforded to holders of covered bonds and any relevant derivative counterparties in relation to such asset. An execution that is levied less than three months before bankruptcy or after bankruptcy can however not defeat the priority.

### **Assets in the Cover Pool – eligibility criteria**

Pursuant to the Covered Bond Act, the Cover Pool may consist of certain mortgage credits, public credits and supplemental assets.

Mortgage credits include loans secured by mortgages on real property (*fastigheter*) or leasehold rights (*tomträtter*), pledges over tenant-owner rights (*bostadsrätter*) or corresponding security interests over equivalent assets situated in other countries of the European Economic Area, provided in all cases that the property serving as security is intended for residential, agricultural (save in the case of leasehold rights), office or commercial purposes. Public credits include loans to certain governments, central banks and municipalities.

Supplemental assets consist primarily of government bonds and cash, although the Swedish FSA may authorise certain debt instruments issued by credit institutions and certain other bodies to be used as supplemental assets as well.

### **Loan to value ratios**

For mortgage credits, there is a maximum loan amount allowable to be included in the Cover Pool, depending on the value of the underlying property, as follows.

1. For residential property, 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 property.
2. For agricultural property, 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 property.
3. For office or commercial property, 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 property.

Should a loan exceed any of these ratios, only the part of the loan that falls within the allowed limit may be included in the Cover Pool (**Partly Eligible Loans**). The Covered Bond Act does not explicitly state how the proceeds from a Partly Eligible Loan shall be distributed between the eligible and the non-eligible portions of the loan. The most likely interpretation is that interest payments shall be allocated *pro rata* between the eligible and non-eligible portions and that amortisations (absent enforcement of the security over the underlying property) shall be first applied towards the non-eligible portion of the loan. However, proceeds from enforcement of the security would most likely be applied first towards the eligible portion of the loan.

A similar situation arises if one mortgage certificate 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. In this situation, the Covered Bond Act does not give clear guidance as to how proceeds shall be allocated between the two loans in the event 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 Covered Bond Act also restricts the overall proportion of loans provided against security over real property (or leasehold rights or tenant-owner rights) intended for office or commercial purposes to 10 per cent. of the relevant Institution's Cover Pool.

Furthermore, the proportion of supplemental assets may not exceed 20 per cent. of the Cover Pool, although the Swedish FSA has the authority to raise this limit to 30 per cent. for a limited period provided there is a special cause.

Institutions are required to monitor regularly the market value of the properties that serve as collateral for loans included in the Cover Pool. If the market value of such property declines substantially (15 per cent. or more according to the preparatory works to the Covered Bond Act), then only such part of the loan that falls within the allowed loan to value ratio will be eligible for inclusion in the Cover Pool and will be subject to the priority right described above. A decline in market value after the Institution's bankruptcy would not result in a reduction of the amount of assets to which holders of covered bonds and relative derivative counterparties have a priority right, but could result in the Cover Pool ceasing to meet the matching requirements.

### **Matching requirements**

The Covered Bond Act requires that the value of the Cover Pool must at all times exceed the aggregate value of claims that may be asserted against the Institution in relation to the covered bonds. The

calculation shall be made on the basis of current book values and shall take into consideration the effects of any derivative contracts.

Furthermore, the Institution must compose the Cover Pool in such a way as to ensure a good balance with the covered bonds in terms of currency and interest rate structure.

A good balance is deemed to exist when the net present value of the Cover Pool, at all times, exceeds the net present value of the liabilities relating to the covered bonds. The present value of derivative contracts is also included in such calculation. The calculations of present value must be able to withstand certain stress tests (for example, sudden changes in interest rates or currency exchange rates). The payment flows relating to the assets in the Cover Pool, derivative contracts and covered bonds must be such that the Institution at all times is able to perform its payment obligations towards holders of covered bonds and relating derivative contracts 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.

### **The cover pool monitor**

In addition to regular supervision of Institutions by the Swedish FSA, the Covered Bond Act requires the Swedish FSA to appoint a cover pool monitor (*oberoende granskare*) for each Institution that issues covered bonds. In the case of the Bank, the cover pool monitor is currently Susan Sundvall.

The cover pool monitor is responsible for monitoring the Register to assess whether or not it is being maintained correctly and in compliance with the Covered Bond Act and the SFSA Regulations. In particular, the cover pool monitor verifies that (i) covered bonds and their relative 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 Covered Bond Act and the SFSA Regulations, (iv) mortgage loans the underlying collateral of which has decreased significantly in value are, for the purpose of the matching requirements, deducted from the Cover Pool to the extent necessary to comply with the relevant loan-to-value ratio and (v) the matching requirements are complied with.

The cover pool monitor is entitled to request information from the relevant Institution, make site visits at the relevant Institution and is required to report regularly and at least once a year to the Swedish FSA. The Covered Bond Act does not provide for any change to the cover pool monitor's role upon the bankruptcy of the relevant Institution.

### **Cover Pool administration in case of bankruptcy**

If an Institution is declared bankrupt, at least one administrator-in-bankruptcy will be appointed by the bankruptcy court and one administrator-in-bankruptcy will be appointed by the Swedish FSA. 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 Covered Bond Act and, in particular, the matching requirements, then the assets in the Cover Pool, the covered bonds and any derivative contracts that have been entered in the Register are required to be maintained as a unit and kept segregated from the other assets and liabilities of the bankruptcy estate of the Institution. The administrators-in-bankruptcy would then be required to procure the continued timely payment of the covered bonds and any derivative contracts noted in the Register. Consequently, the bankruptcy of an Institution would not as such result in early repayment or suspension of payments to holders of Covered Bonds or to derivative counterparties, so long as the Cover Pool continues to meet the requirements of the Covered Bond Act.

If, however, at a subsequent stage the Cover Pool ceases to comply with the matching requirements, or other provisions in the Covered Bond Act, and the deviations are neither minor nor temporary, the Cover Pool can no longer be maintained as a unit and the holders of covered bonds would instead benefit from a priority right in the proceeds of the sale of assets in the Cover Pool in accordance with the Swedish rules regarding dividends in bankruptcy. This could result in the holders of covered bonds receiving payment according to a schedule that is different to that contemplated by the terms 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 would retain the benefit of priority to the assets comprised in the Cover Pool. Any residual claims of the holders of covered bonds or relevant derivative counterparties which are not

met by such dividend will remain valid claims against the Institution but will rank *pari passu* with unsecured and unsubordinated creditors.

On 21st April 2010 the Swedish parliament approved a bill, which became effective on 1st June 2010, amending the Covered Bond Act. The bill contains measures that the administrator-in-bankruptcy may take upon the bankruptcy of an Institution to address the risk described above that arises from (potential) mismatches between the Covered Bonds and their collateral. As a result, the administrator-in-bankruptcy can now, on behalf of the bankruptcy estate, take out loans, enter derivative contracts, repurchase agreements and other agreements to achieve a balance between the cash flows, interest rates and periods, as well as currencies of the collateral and of the Covered Bonds. Furthermore, the administrator-in-bankruptcy may now, on behalf of the bankruptcy estate, use the collateral in the cover pool to meet the obligations under these agreements and loans. The obligations and costs arising under these agreements will rank ahead of covered bondholders' claims.

## **USE OF PROCEEDS**

The proceeds of the issue of each Series of Notes will be used by the Bank for general corporate purposes, which include making a profit. If, in respect of any particular issue of Notes which are derivative securities for the purposes of Article 15 of Commission Regulation No. 809/2004 implementing the Prospectus Directive, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.



## PRO FORMA FINAL TERMS

Set out below is the pro forma Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than [EUR 50,000/EUR 100,000] (or its equivalent in another currency).

[Date]

### SKANDINAVISKA ENSKILDA BANKEN AB (publ)

#### Issue of [Aggregate Nominal Amount of Tranche][Title of Notes] under the Global Programme for the Continuous Issuance of Medium Term Notes, Capital Contribution Securities and Covered Bonds

[The Information Memorandum referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 42 of Part A below, provided such person is one of the persons mentioned in Paragraph 42 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Bank nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].<sup>1</sup>

[The Information Memorandum referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Bank nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].<sup>2</sup>

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 20th June, 2011 [refer also to any relevant supplements] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum [as so supplemented]. Full information on the Bank and the offer of the securities is only available on the basis of the combination of these Final Terms and the Information Memorandum [as so supplemented]. Copies of the Information Memorandum [as so supplemented] are available for viewing at Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden and copies may be obtained from Citibank, N.A., London Branch, 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

<sup>1</sup> Consider including this legend where a non-exempt offer of Notes is anticipated.

<sup>2</sup> Consider including this legend where only an exempt offer of Notes is anticipated.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Information Memorandum dated [*original date*][*refer also to any relevant supplements*] which are incorporated by reference in the Information Memorandum dated [*current date*] and are attached hereto. This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Information Memorandum dated 20th June, 2011 [*refer also to any relevant supplements*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Bank and the offer of the securities is only available on the basis of the combination of these Final Terms and the Information Memorandum dated [*original date*][*refer also to any relevant supplements*] and 20th June, 2011 [*refer also to any relevant supplements*]. Copies of such Information Memorandum [as so supplemented] are available for viewing at Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden and copies may be obtained from Citibank, N.A., London Branch, 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.]

*[Consider including the following paragraph for Commodity Linked Notes, Equity Linked Notes, Fund Linked Notes and Credit Linked Notes]*

*[No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank or any Dealer.]*

*By investing in the Notes each investor represents that:*

- (i) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Bank or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Bank or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.*
- (ii) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.*
- (iii) Status of Parties. Neither of the Bank nor any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.]*

*[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 subparagraphs. Italics denote directions for completing the Final Terms.]*

*[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive.]*

1. **Issuer:** Skandinaviska Enskilda Banken AB (publ)

2. (i) Series Number: [ ]

(ii) Tranche Number: [ ]

*(if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*

3. **Specified Currency or Currencies:** [ ]
4. **Aggregate Nominal Amount:**  
 (i) Series: [ ]  
 (ii) Tranche: [ ]
5. **Issue Price of Tranche:** [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (if applicable).
6. (a) **Specified Denominations:** [ ]  
*(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)* [ ]  
*(N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €1,000 minimum denomination is not required.)*
- (b) **Calculation Amount:** [ ]  
*(Applicable to Notes in definitive form)* *(If there is only one Specified Denomination, insert that Specified Denomination. If there is 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]  
*(NB: An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes)*
8. **Maturity Date:** [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. **Interest Basis:** [[ ] per cent. Fixed Rate]  
 [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Dual Currency Interest]  
 [Commodity Linked Interest]  
 [Equity Linked Interest]  
 [Credit Linked Interest]  
 [Fund Linked Interest]  
 [specify other]  
 (further particulars specified below)
10. **Redemption/Payment Basis:** [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency Redemption]  
 [Partly Paid]  
 [Instalment]  
 [Commodity Linked Redemption]

- [Equity Linked Redemption]  
 [Credit Linked Redemption]  
 [Fund Linked Redemption]  
 [specify other]  
 (N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
11. **Change of Interest Basis or Redemption/ Payment Basis:** [Specify details of any provision for change of Notes into another Interest Basis or Redemption/ Payment Basis]
12. **Put/Call Options:** [Investor Put]  
 [Issuer Call]  
 [Not Applicable]  
 [(further particulars specified below)]  
 (N.B. Investor Put only applicable to Unsubordinated Notes)
13. (i) Type of Note: [MTN/Capital Contribution Security/Covered Bond/Other]  
 (If "Other", set out applicable subordination provisions in detail)
- (ii) If Capital Contribution Security conversion applicable: [Yes/No] [Not Applicable]  
 (See Condition 3D.01)
- (iii) Status of MTN: [Unsubordinated/Dated Subordinated/Undated Subordinated/Not Applicable]
- (iv) If Undated Subordinated, conversion applicable: [Yes/No] [Not Applicable]  
 (See Condition 3C.01)
14. **Method of distribution:** [Syndicated/Non-syndicated]

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

15. **Fixed Rate Provisions** [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [ ] per cent, per annum [payable [annually/semi-annually/quarterly] in arrear]  
 (If payable other than annually, consider amending Condition 4A.)
- (ii) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[specify other]  
 (NB: This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount  
 (Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): [ ] per Calculation Amount payable on the Interest Payment Date falling in/on [ ]  
 (Applicable to Notes in definitive form.)

*[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*

(v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or *specify other*]

(vi) Determination Date(s): [ ] in each year

*[Insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.] (NB: This will need to be amended in the case of regular Interest Payment Dates which are not of equal duration.)]*

*(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

**16. Floating Rate Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Specified Period(s)/ Specified Interest Payment Dates: [ ]

(ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention [*specify other*]]

(iii) Additional Business Centre(s): [ ]

(iv) Manner in which the Rate of Interest is to be determined: [Screen Rate Determination/ISDA Determination/ *specify other*]

(v) Party responsible for calculating the Rate of Interest: [Fiscal Agent/Calculation Agent: [name]/*other*]

(vi) ISDA Determination:

– Floating Rate Option: [ ]

– Designated Maturity: [ ]

– Reset Date: [ ]

(vii) Screen Rate Determination:

– Reference Rate: [ ]

*(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Fiscal Agency Agreement)*

– 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)*
- Relevant Screen Page:
- (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (viii) Margin(s):   +/-   percent. per annum
- (ix) Minimum Rate of Interest:   per cent. Per annum
- (x) Maximum Rate of Interest:   per cent, per annum
- (xi) 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  Other] *(See Condition 4B.05 for alternatives)*
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
17. **Zero Coupon Provisions**  [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield:   per cent. Per annum
- (ii) Reference Price:
- (iii) Any other formula/basis of determining amount payable:
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:  [Conditions 5.07(iii) and 5.12 apply/specify other] *(Consider applicable day count fraction if not U.S. dollar denominated)*
18. **Index Linked Interest Provisions**  [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount of the Notes, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Index/Formula:  [give or annex details]
- (ii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and the Interest Amount (if not the Principal Paying Agent):

- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:  (Need to include a description of market disruption or settlement disruption events and adjustment provisions)
- (iv) Specified Period(s)/Specified Interest Payment Dates:
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
- (vi) Additional Business Centre(s):
- (vii) Minimum Rate of Interest:  per cent. per annum
- (viii) Maximum Rate of Interest:  per cent. per annum
- (ix) Day Count Fraction:
19. **Dual Currency Interest Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount of the Notes, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Rate of Exchange/method of calculating Rate of Exchange:  [give or annex details]
- (ii) Party, if any, responsible for calculating the interest payable (if not the Principal Paying Agent):
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:  (Need to include a description of market disruption or settlement disruption events and adjustment provisions)
- (iv) Person at whose option Specified Currency(ies) is/are payable:
20. **Commodity Linked Interest Provisions** [Applicable – See Appendix/Not Applicable]  
*(If applicable, the Appendix must include a description of any relevant market disruption or settlement disruption events and adjustment provisions)*
21. **Equity Linked Interest Provisions** [Applicable – See Appendix /Not Applicable]  
*(If applicable, the Appendix must include a description of any relevant market disruption or settlement disruption events and adjustment provisions)*
22. **Credit Linked Interest Provisions** [Applicable – See Appendix /Not Applicable]  
*(If applicable, the Appendix must include a description of any relevant market disruption or settlement disruption events and adjustment provisions)*

23. **Fund Linked Interest Provisions**

[Applicable – See Appendix /Not Applicable]  
*(If applicable, the Appendix must include a description of any relevant market disruption or settlement disruption events and adjustment provisions)*

**PROVISIONS RELATING TO REDEMPTION**

24. **Issuer Call**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Optional Redemption Date(s): [ ]

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [ ]

(b) Higher Redemption Amount: [ ]

(iv) Notice period (if other than as set out in the Conditions): [ ]

*(N.B. If setting notice periods which are different to those provided in the Conditions, the Bank is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Bank and the Agent)*

25. **Investor Put**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. N.B. Investor Put only applicable to Unsubordinated Notes)*

(i) Optional Redemption Date(s): [ ]

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*

(iii) Notice period (if other than as set out in the Conditions): [ ]

*(N.B. If setting notice periods which are different to those provided in the Conditions, the Bank is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Bank and the Agent)*

26. **Final Redemption Amount**

[[ ] per Calculation Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*  
*(N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of*



*Annex XII to the Prospectus Directive Regulation will apply.)*

27. **Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of Calculating the same (if required or if different from that set out in Condition 5.07):** [] per Calculation Amount/specify other/see Appendix [*If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions*]
28. **Early Redemption upon a Tax Event:** [Applicable/Not Applicable]  
*(Applicable to Capital Contribution Securities only. If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount/specify other/see Appendix [*If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions*]
- (ii) Notice period (if other than as set out in the Conditions): []  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Bank is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Bank and the Agent)*
29. **Early Redemption upon a Capital Event:** [Applicable/Not Applicable]  
*(Applicable to Capital Contribution Securities only. If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount/specify other/see Appendix [*If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions*]
- (ii) Notice period (if other than as set out in the Conditions): []  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Bank is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Bank and the Agent)*

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

30. **Form of Notes:** [Bearer Notes]:  
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]  
[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]  
[Permanent Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

- [Registered Notes]:  
Regulation S Global Note (U.S.\$[ ] nominal amount) held in [DTC/Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.\$[ ] nominal amount) held in [DTC/ Euroclear and Clearstream, Luxembourg]]
31. **New Global Note:** [Yes] [No]
32. **Additional Financial Centre(s) or other special provisions relating to Payment Days:** [Not Applicable/give details]  
(Note that this item relates to the place of payment and not Interest Period end dates to which items 16(iii) and 18(vi) relate)
33. **Talons for future Coupons or Receipts to be attached to definitive Bearer Notes (and dates on which such Talons mature):** [Yes/No. If yes, give details]
34. **Details relating to Partly Paid Notes, including the amount of each payment, the date on which each payment is to be made and the consequences of failure to pay, including any right of the Bank to forfeit the Notes and interest due on late payment:** [Not Applicable/give details. NB: new forms of Global Notes may be required for Partly Paid issues.]
35. **Details relating to Instalment Notes:**
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
36. **Redenomination applicable:** Redenomination [not] applicable  
(If Redenomination is applicable, specify the terms of Redenomination in an Annex to the Final Terms)
37. **Other final terms:** [Not Applicable/give details]  
(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive.)

## DISTRIBUTION

38. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names]  
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (ii) Date of Subscription Agreement: [ ]
- (iii) Stabilising Manager (if any): [Not Applicable/give name and address]
39. **If non-syndicated, name and address of relevant Dealer:** [Not Applicable/give name and address]

40. **U.S. selling restrictions:** Reg. S Category 2. [TEFRA D/TEFRA C/TEFRA not applicable]
41. **Total commission and concession:** [ ] per cent. of the Aggregate Nominal Amount
42. **Non exempt Offer:** [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Information Memorandum and any supplements have been passported (in addition to the jurisdiction where approved and published)] (the **Public Offer Jurisdictions**) during the period from [specify date] until [specify date or a formula such as “the Issue Date” or “the date which falls [ ] Business Days thereafter”] (the **Offer Period**). See further Paragraph 3 of Part B below.
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*
43. **Additional selling restrictions:** [Not Applicable/give details]

#### **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [specify relevant regulated market (for example, the London Stock Exchange’s regulated market) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)]] of the securities described herein pursuant to the Global Programme for the Continuous Issuance of Medium Term Notes, Capital Contribution Securities and Covered Bonds of Skandinaviska Enskilda Banken AB (publ).

#### **RESPONSIBILITY**

The Bank accepts responsibility for the information contained in these Final Terms. [[ ] has been extracted from [ ]. The Bank 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 [ ], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Bank:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

[Application has been made by the Bank (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market, for example the London Stock Exchange's regulated market*] with effect from [ ].] [Application is expected to be made by the Bank (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example the London Stock Exchange's regulated market) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)*] with effect from [ ].] [Not Applicable]

### 2. RATINGS

[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert credit rating agency name(s)*].]

[[*Insert credit rating agency*] is established in the European Community and has applied for registration under Regulation (EC) No 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is established in the European Community and registered under Regulation (EC) No 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Community and is not registered in accordance with Regulation (EC) No 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [*insert the name of the relevant EU CRA affiliate that applied for registration*], which is established in the European Community, disclosed the intention to endorse credit ratings of [*insert credit rating agency*]]

[[*Insert credit rating agency*] is not established in the European Community and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with Regulation (EC) No. 1060/2009. [*Insert the name of the relevant EU-registered credit rating agency*] is established in the European Community and registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Community and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

A rating must be issued by a credit rating agency established in the European Community and registered under the Regulation (EC) No 1060/2009 (the **CRA Regulation**) unless the rating is provided by a credit rating agency that operated in the European Community before 7th June, 2010 and which has submitted an application for registration in accordance with the CRA Regulation and such application for registration has not been refused.

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to Notes issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

**3. TERMS AND CONDITIONS OF THE OFFER**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

Offer Price:

[Issue Price *[specify other offer price]*]

Total amount of the offer:

*[give details – if the amount is not fixed provide a description of the arrangements and time for announcing to the public the definitive amount of the offer]*

Conditions to which the offer is subject:

[Not applicable/*give details*]

Description of the application process:

[Not applicable/*give details*]

Details of the minimum and/or maximum amount of application:

[Not applicable/*give details*]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

[Not applicable/*give details*]

Details of the method and time limits for paying up and delivering the Notes:

[Not applicable/*give details*]

Manner in and date in which results of the offer are to be made public:

[Not applicable/*give details*]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

[Not applicable/*give details*]

Categories of potential investors to which the Notes are offered and whether tranche (s) have been reserved for certain countries:

[Not applicable/*give details*]

Process for notification to applicants of the amount allotted and an indication of whether dealing may begin before notification is made:

[Not applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable/give details]

Name(s) and address(es), to the extent known to the Bank, of the placers in the various countries where the offer takes place: [None/give details]

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

[Save for any fees payable to the [Managers/Dealers], so far as the Bank is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

[N.B. When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive]

**5. REASONS FOR THE OFFER; ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the Offer: [ ]  
(See “Use of Proceeds” wording in Information Memorandum – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(ii) Estimated net proceeds: [ ]  
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(iii) Estimated total expenses: [ ]  
[Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.]

(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, (i) above is only required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

**6. YIELD (Fixed Rate Notes only)**

[ ]  
[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**7. HISTORIC INTEREST RATES (Floating Rate Notes only)**

[Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

**8. PERFORMANCE OF UNDERLYING AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Index-Linked Notes, Dual Currency Notes, Commodity Linked Notes, Equity Linked Notes, Credit Linked Notes and Fund Linked Notes only*)

*[If there is a derivative component in the principal and/or interest payment(s), need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*[Need to include details of where past and future performance and volatility of the underlying can be obtained.]*

*[N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.]*

*[Where the underlying is a security, need to include the name of the issuer of the security and the ISIN.]*

*[Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]*

*[Where the underlying is an interest rate, need to include a description of the interest rate.]*

*[Where the underlying is a basket of underlyings, need to disclose the relevant weightings of underlyings in the basket.]*

*[Where the underlying is anything else, need to include equivalent information.]*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive]*

The Bank [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information]

**9. OPERATIONAL INFORMATION**

(i) Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes] [No].

*[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] [include this text for Registered Notes which are to be held under the NSS] and does not necessarily mean that the Notes 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 satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Bearer Notes must be issued in NGN form (unless the Notes are to be cleared through a domestic Central Securities Depository) NB: The current Eurosystem eligibility criteria excludes subordinated debt and, accordingly, if Subordinated MTNs or Capital Contribution Securities are to be issued, this item must be completed as “No”.]*

- (ii) ISIN Code: [ ]
- (iii) CUSIP: [ ]
- (iv) CINS: [ ]
- (v) Common Code: [ ]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, société anonyme and The Depository Trust Company and the relevant identification number (s): [Not Applicable/give *name(s)* and *number(s)*]
- (vii) Whether Register is held by the Principal Registrar or the Alternative Registrar: [Principal/ Alternative] Registrar
- (viii) Delivery: Delivery [against/free of] payment
- (ix) Names and addresses of additional Paying Agent(s) (if any): [ ]

*Set out below is the pro forma Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination equal to or higher than [EUR 50,000/EUR 100,000] (or its equivalent in another currency).*

*[Date]*

#### **SKANDINAVISKA ENSKILDA BANKEN AB (publ)**

#### **Issue of [Aggregate Nominal Amount of Tranche][Title of Notes] under the Global Programme for the Continuous Issuance of Medium Term Notes, Capital Contribution Securities and Covered Bonds**

#### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 20th June, 2011 [*refer also to any relevant supplements*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum [as so supplemented]. Full information on the Bank and the offer of the securities is only available on the basis of the combination of these Final Terms and the Information Memorandum [as so supplemented]. Copies of the Information Memorandum [as so supplemented] are available for viewing at Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-10640 Stockholm, Sweden and copies may be obtained from Citibank, N.A., London Branch, 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Information Memorandum with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Information Memorandum dated [*original date*] [*refer also to any relevant supplements*] which are incorporated by reference in the Information Memorandum dated [*current date*] and are attached hereto. This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Information Memorandum dated 20th June, 2011 [*refer also to any relevant supplements*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Bank and the offer of the securities is only available on the basis of the combination of these Final Terms and the Information Memorandum dated [*original date*][*refer also to any relevant supplements*] and 20th June, 2011 [*refer also to any relevant supplements*]. Copies of such Information Memoranda [as so supplemented] are available for viewing at Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden and copies may be



obtained from Citibank, N.A., London Branch, 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.]

[Consider including the following paragraph for Commodity Linked Notes, Equity Linked Notes, Fund Linked Notes and Credit Linked Notes]

[No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank or any Dealer.

By investing in the Notes each investor represents that:

- (i) *Non-Reliance.* It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Bank or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Bank or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.
- (ii) *Assessment and Understanding.* It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.
- (iii) *Status of Parties.* Neither of the Bank nor any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.]

[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 subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive.]

- 1. **Issuer:** Skandinaviska Enskilda Banken AB (publ)
- 2. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
*(if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
- 3. **Specified Currency or Currencies:** [ ]
- 4. **Aggregate Nominal Amount:**  
(i) Series: [ ]  
(ii) Tranche: [ ]
- 5. **Issue Price of Tranche:** [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (if applicable).
- 6. (a) **Specified Denominations:** [ ]

(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made) [ ]

(N.B. Where Bearer Notes with multiple denominations above [€50,000] or equivalent are being used the following language should be used:

“[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000]”)

(Note – 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 in definitive form will be issued with a denomination above [€199,000].”)

(N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the [€50,000]/[€100,000] minimum denomination is not required.)

**(b) Calculation Amount:**

(Applicable to Notes in definitive form)

[ ]

(If there is only one Specified Denomination, insert that Specified Denomination. If there is 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]

(NB: An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes)

8. **Maturity Date:**

[Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]

9. **Interest Basis:**

[[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR] +/- [ ] per cent.  
Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[Commodity Linked Interest]  
[Equity Linked Interest]  
[Credit Linked Interest]  
[Fund Linked Interest]  
[specify other]  
(further particulars specified below)

10. **Redemption/Payment Basis:** [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[Commodity Linked Redemption]  
[Equity Linked Redemption]  
[Credit Linked Redemption]  
[Fund Linked Redemption]  
[specify other]  
*(N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. **Change of Interest Basis or Redemption/Payment Basis:** [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. **Put/Call Options:** [Investor Put]  
[Issuer Call]  
[Not Applicable]  
[(further particulars specified below)]  
*(N.B. Investor Put only applicable to Unsubordinated Notes)*
13. (i) Type of Note: [MTN/Capital Contribution Security/Covered Bond/Other]  
*(If "Other", set out applicable subordination provisions in detail)*
- (ii) If Capital Contribution Security conversion applicable: [Yes/No] [Not Applicable]  
*(See Condition 3D.01)*
- (iii) Status of MTN: [Unsubordinated/Dated Subordinated/Undated Subordinated/Not Applicable]
- (iv) If Undated Subordinated, conversion applicable: [Yes/No] [Not Applicable]  
*(See Condition 3C.01)*
14. **Method of distribution:** [Syndicated/Non-syndicated]

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

15. **Fixed Rate Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent, per annum [payable [annually/semi-annually/quarterly] in arrear]  
*(If payable other than annually, consider amending Condition 4A.)*
- (ii) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[specify other]  
*(NB: This will need to be amended in the case of long or short coupons)*

- (iii) Fixed Coupon Amount(s):  ] per Calculation Amount  
*(Applicable to Notes in definitive form.)*
- (iv) Broken Amount(s):  ] per Calculation Amount payable on the Interest Payment Date falling in/on  ]  
*(Applicable to Notes in definitive form.)* *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or *specify other*]
- (vi) Determination Date(s):  ] in each year  
*[Insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.] (NB: This will need to be amended in the case of regular Interest Payment Dates which are not of equal duration.)*  
*(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
16. **Floating Rate Provisions**  ] Applicable/Not Applicable  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Specified Period(s)/ Specified Interest Payment Dates:  ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention *[specify other]*]
- (iii) Additional Business Centre(s):  ]
- (iv) Manner in which the Rate of Interest is to be determined: [Screen Rate Determination/ISDA Determination/ *specify other*]
- (v) Party responsible for calculating the Rate of Interest: [Fiscal Agent/Calculation Agent: [name]/*other*]
- (vi) ISDA Determination:
- Floating Rate Option:  ]
  - Designated Maturity:  ]
  - Reset Date:  ]
- (vii) Screen Rate Determination:
- Reference Rate:  ]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Fiscal Agency Agreement)*
  - 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)

- Relevant Screen Page:
- (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (viii) Margin(s):   percent. per annum
- (ix) Minimum Rate of Interest:  per cent. per annum
- (x) Maximum Rate of Interest:  per cent, per annum
- (xi) 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  Other] (See Condition 4B.05 for alternatives)
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
17. **Zero Coupon Provisions**  [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield:  per cent. per annum
- (ii) Reference Price:
- (iii) Any other formula/basis of determining amount payable:
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:  [Conditions 5.07(iii) and 5.12 apply/specify other] (Consider applicable day count fraction if not U.S. dollar denominated)
18. **Index Linked Interest Provisions**  [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount of the Notes, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

- (i) Index/Formula: [give or annex details]
- (ii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and the Interest Amount (if not the Principal Paying Agent): [ ]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [ ] (*Need to include a description of market disruption or settlement disruption events and adjustment provisions*)
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Day Count Fraction: [ ]
19. **Dual Currency Interest Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount of the Notes, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (ii) Party, if any, responsible for calculating the interest payable (if not the Principal Paying Agent): [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ] (*Need to include a description of market disruption or settlement disruption events and adjustment provisions*)
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]
20. **Commodity Linked Interest Provisions** [Applicable – See Appendix/Not Applicable]  
*(If applicable, the Appendix must include a description of any relevant market disruption or settlement disruption events and adjustment provisions)*
21. **Equity Linked Interest Provisions** [Applicable – See Appendix /Not Applicable]  
*(If applicable, the Appendix must include a description of any relevant market disruption or settlement disruption events and adjustment provisions)*

22. **Credit Linked Interest Provisions**

[Applicable – See Appendix /Not Applicable]  
(If applicable, the Appendix must include a description of any relevant market disruption or settlement disruption events and adjustment provisions)

23. **Fund Linked Interest Provisions**

[Applicable – See Appendix /Not Applicable]  
(If applicable, the Appendix must include a description of any relevant market disruption or settlement disruption events and adjustment provisions)

**PROVISIONS RELATING TO REDEMPTION**

24. **Issuer Call**

[Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [ ]
  - (b) Higher Redemption Amount: [ ]
- (iv) Notice period (if other than as set out in the Conditions): [ ]  
(N.B. If setting notice periods which are different to those provided in the Conditions, the Bank is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Bank and the Agent)

25. **Investor Put**

[Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph. N.B. Investor Put only applicable to Unsubordinated Notes)

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]
- (iii) Notice period (if other than as set out in the Conditions): [ ]  
(N.B. If setting notice periods which are different to those provided in the Conditions, the Bank is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Bank and the Agent)

26. **Final Redemption Amount**  per Calculation Amount/specify other/see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]
- (N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
27. **Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of Calculating the same (if required or if different from that set out in Condition 5.07):**  per Calculation Amount/specify other/see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]
28. **Early Redemption upon a Tax Event:** [Applicable/Not Applicable]  
(Applicable to Capital Contribution Securities only. If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount/specify other/see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]
- (ii) Notice period (if other than as set out in the Conditions):   
(N.B. If setting notice periods which are different to those provided in the Conditions, the Bank is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Bank and the Agent)
29. **Early Redemption upon a Capital Event:** [Applicable/Not Applicable]  
(Applicable to Capital Contribution Securities only. If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount/specify other/see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]
- (ii) Notice period (if other than as set out in the Conditions):   
(N.B. If setting notice periods which are different to those provided in the Conditions, the Bank is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Bank and the Agent)



## GENERAL PROVISIONS APPLICABLE TO THE NOTES

30. **Form of Notes:**
- [Bearer Notes]:  
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time]\*/[only upon an Exchange Event]  
[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]\*  
[Permanent Global Note exchangeable for definitive Notes [on 60 days' notice given at any time]\*/[only upon an Exchange Event]]
- (N.B. Those options indicated above with an asterisk should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect:*
- “[€50,000]/[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]/[€199,000]. No [MTNs/Covered Bonds] in definitive form will be issued with a denomination above [€99,000]/[€199,000]”.*
- The above Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
- [Registered Notes]:  
*Regulation S Global Note (U.S.\$[ ] nominal amount) held in [DTC/Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.\$[ ] nominal amount) held in [DTC/Euroclear and Clearstream, Luxembourg]]*
31. **New Global Note:** [Yes] [No]
32. **Additional Financial Centre(s) or other special provisions relating to Payment Days:** [Not Applicable/give details]  
*(Note that this item relates to the place of payment and not Interest Period end dates to which items 16(iii) and 18(vi) relate)*
33. **Talons for future Coupons or Receipts to be attached to definitive Bearer Notes (and dates on which such Talons mature):** [Yes/No. If yes, give details]
34. **Details relating to Partly Paid Notes, including the amount of each payment, the date on which each payment is to be made and the consequences of failure to pay, including any right of the Bank to forfeit the Notes and interest due on late payment:** [Not Applicable/give details. NB: new forms of Global Notes may be required for Partly Paid issues.]

35. **Details relating to Instalment Notes:**
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
36. **Redenomination applicable:** Redenomination [not] applicable  
*(If Redenomination is applicable, specify the terms of Redenomination in an Annex to the Final Terms)*
37. **Other final terms:** [Not Applicable/give details]  
*(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

38. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names]  
*(If the Notes are derivative Securities for the purposes of the Prospectus Directive, include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
- (ii) Date of Subscription Agreement: [ ]  
*(Not applicable unless the Notes are derivative Securities for the purposes of the Prospectus Directive.)*
- (iii) Stabilising Manager (if any): [Not Applicable/give name]
39. **If non-syndicated, name and address of relevant Dealer:** [Not Applicable/give name]  
*(If the Notes are derivative Securities for the purposes of the Prospectus Directive, include the name and address of any entity agreeing to underwrite the issue on a firm commitment basis and the name and address of any entity agreeing to place the issue without a firm commitment or on a “best efforts” basis.)*
40. **U.S. selling restrictions:** Reg. S Category 2. [TEFRA D/TEFRA C/TEFRA not applicable]
41. **Additional selling restrictions:** [Not Applicable/give details]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for the issue and admission to trading on [*specify relevant regulated market (for example the London Stock Exchange's regulated market) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)*] of the securities described herein pursuant to the Global Programme for the Continuous Issuance of Medium Term Notes, Capital Contribution Securities and Covered Bonds of Skandinaviska Enskilda Banken AB (publ).

**RESPONSIBILITY**

The Bank accepts responsibility for the information contained in these Final Terms. [[ ] has been extracted from [ ]. The Bank 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 [ ], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Bank:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

(i) Admission to trading:

[Application has been made by the Bank (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market, for example the London Stock Exchange's regulated market*]] with effect from [ ].] [Application is expected to be made by the Bank (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example the London Stock Exchange's regulated market)*] and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [ ].] [Not Applicable]

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

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

### 2. RATINGS

[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert credit rating agency name(s)*].]

[[*Insert credit rating agency*] is established in the European Community and has applied for registration under Regulation (EC) No 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is established in the European Community and registered under Regulation (EC) No 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Community and is not registered in accordance with Regulation (EC) No 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [*insert the name of the relevant EU CRA affiliate that applied for registration*], which is established in the European Community, disclosed the intention to endorse credit ratings of [*insert credit rating agency*]]

[[*Insert credit rating agency*] is not established in the European Community and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with Regulation (EC) No. 1060/2009. [*Insert the name of the relevant EU-registered credit rating*

agency] is established in the European Community and registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Community and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

A rating must be issued by a credit rating agency established in the European Community and registered under the Regulation (EC) No 1060/2009 (the **CRA Regulation**) unless the rating is provided by a credit rating agency that operated in the European Community before 7th June, 2010 and which has submitted an application for registration in accordance with the CRA Regulation and such application for registration has not been refused.

*(The above disclosure should reflect the rating allocated to Notes issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

[Save for any fees payable to the [Managers/Dealers], so far as the Bank is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests*]

*[N.B. When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive]*

### **4. REASONS FOR THE OFFER; ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the Offer: [ ]

(ii) Estimated net proceeds: [ ]

(iii) Estimated total expenses: [ ]

*(N.B. This section is only applicable if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies. In such a case, (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

5. **YIELD** (Fixed Rate Notes only)

[ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **PERFORMANCE OF UNDERLYING AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Index-Linked Notes, Dual Currency Notes, Commodity Linked Notes, Equity Linked Notes, Credit Linked Notes and Fund Linked Notes only*)

*[Need to include details of where past and future performance and volatility of the underlying can be obtained.]*

*[Where the underlying is a security, need to include the name of the issuer of the security and the ISIN.]*

*[Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]*

*[Where the underlying is an interest rate, need to include a description of the interest rate.]*

*[Where the underlying is a basket of underlyings, need to disclose the relevant weightings of underlyings in the basket.]*

*[Where the underlying is anything else, need to include equivalent information.]*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive]*

The Bank [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information]

*[N.B. This section only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.]*

7. **OPERATIONAL INFORMATION**

(i) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No].

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] [*include this text for Registered Notes which are to be held under the NSS*] and does not necessarily mean that the Notes 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 satisfaction of the Eurosystem eligibility criteria.][*include this text if “yes” selected in which case the Bearer Notes must be issued in NGN form (unless the Notes are to be cleared through a domestic Central Securities Depository)*] NB: The current Eurosystem eligibility criteria excludes subordinated debt and, accordingly, if Subordinated MTNs or Capital Contribution

*Securities are to be issued, this item must be completed as “No”.*]

- (ii) ISIN Code: [ ]
- (iii) CUSIP: [ ]
- (iv) CINS: [ ]
- (v) Common Code: [ ]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, société anonyme and The Depository Trust Company and the relevant identification number (s): [Not Applicable/give *name(s)* and *number(s)*]
- (vii) Whether Register is held by the Principal Registrar or the Alternative Registrar: [Principal/ Alternative] Registrar
- (viii) Delivery: Delivery [against/free of] payment
- (ix) Names and addresses of additional Paying Agent(s) (if any): [ ]

## SKANDINAVISKA ENSKILDA BANKEN

### Overview

SEB is a leading Nordic financial services group with a strong commercial and investment banking focus, providing a wide range of financial services to corporate customers, financial institutions and private individuals. Its core markets are the Nordic countries of Sweden, Denmark, Finland and Norway and the Baltic countries of Estonia, Latvia and Lithuania. Its core strengths are its wholesale banking, investment banking, wealth management and unit-linked insurance businesses. It also has significant operations in Germany. As of 31st March 2011, SEB had total assets of SEK 2,118 billion and total equity of SEK 98 billion. For the year ended 31st December, 2010, SEB's net profit was SEK 6.8 billion. For the three months ended 31st March, 2011, SEB's net profit was SEK 2.6 billion.

Since 1st July, 2009, the Group's business has been organised into five divisions:

- Merchant Banking – providing wholesale banking and investment banking services to large companies and financial institutions in SEB's core markets;
- Retail Banking – providing retail banking services to private individuals and SMEs in Sweden and card services in the Nordic countries;
- Wealth Management – providing asset management and private banking services to institutions, foundations and private individuals in SEB's core markets, and managing SEB's mutual funds;
- Life – providing unit-linked and traditional life insurance mainly in Sweden, Denmark and the Baltic countries; and
- Baltic – providing retail banking services to private individuals and SMEs in Estonia, Latvia and Lithuania and responsible for all lending activities in those countries.

Prior to the reorganisation in July 2009, the businesses currently organised under the Baltic division formed part of the Retail Banking and Wealth Management divisions.

At 31st March, 2011, SEB's customer base consisted of approximately 2,500 large corporate and institutional customers, 400,000 SMEs and approximately four million private individuals. At that same date, SEB had approximately 375 branch offices in Sweden, the Baltic countries, Germany and elsewhere. Outside its core markets, SEB has a strategic presence, through its international network of 14 branches and representative offices located in various financial centres, to support and service mainly its large corporate and institutional customers. At 31st March 2011, SEB had 17,426 full-time FTEs, more than half of whom were located outside Sweden.

### Competitive strengths

SEB believes that its franchise is built on strong long-term customer relationships, its product excellence and the quality of its advice. Its reputation stems from its long heritage of providing banking and financial services to large corporate customers, financial institutions and private individuals in the Nordic countries. Given its diversified business mix, SEB believes that it is well positioned to capture opportunities in the financial services industry in its core markets. SEB's competitive strengths include:

#### *Strong and long-term customer relationships*

SEB believes that its more than 150-year history of providing banking and financial services, its long-standing client relationships, its customer orientation and its strong brand allow it to develop unique relationships with, and knowledge of, its customers and to attract new customers. SEB's customer focus has led to strong loyalty amongst its customers, as evidenced by continued high customer satisfaction rankings and awards within its core areas of strength.

#### *Leading market positions in core business areas*

SEB has leading market positions in its core business areas. Its Merchant Banking division is a leading corporate and investment bank in the Nordic region, with substantial market shares in foreign exchange trading and cash management. It is also the largest broker on NASDAQ OMX Stockholm and on the other Nordic stock exchanges in the aggregate based on market share measured by volume on the



Stockholm, Oslo, Helsinki and Copenhagen stock exchanges. SEB's Retail Banking division is a leading provider of corporate charge cards and co-branded cards in the Nordic countries. In Sweden, SEB is the fourth largest retail bank as measured by customer loans and one of the two largest banks as measured by long-term savings. Through its Wealth Management division, it is the second largest asset manager in the Nordic region (based on a comparison of total SEB assets under management and assets under management reported by other banks in the Nordic region, and rankings of SEB's Nordic private banking business by *Financial Times* Group in 2010). SEB also has a strong position in the mass affluent and private banking segments of the Swedish market. For example, SEB was the second largest entity in the total Swedish household savings market (excluding directly owned shares) with a market share of 12.2 per cent. at 31st December, 2010 according to the quarterly publication Sparbarometern. In the Baltic countries, taken together, SEB is the second largest bank by lending market share (according to the most recently available central bank and bank association statistics in those countries). SEB is also a leading provider of unit-linked insurance in the Nordic region, where it was ranked first in Sweden by total unit-linked new business and total volume of life insurance in 2010 (with 22.4 per cent. and 26.1 per cent. market shares, respectively, at 31st December, 2010 based on data from the Swedish Insurance Federation).

### **History of SEB**

Skandinaviska Enskilda Banken AB (publ) was incorporated under the laws of Sweden in 1972 through the amalgamation of Stockholms Enskilda Bank and Skandinaviska Banken as a limited liability company with registration number 502032-9081. Stockholms Enskilda Bank was founded in 1856 by André Oscar Wallenberg as Stockholm's first privately-held bank. Skandinaviska Kreditaktiebolaget (later Skandinaviska Banken) commenced operations in 1864 as Stockholm's second privately-held bank.

Since its founding, the cornerstones of SEB's business have been its long-standing customer relationships, entrepreneurship and an international outlook. These pillars have, together with the joint heritage of SEB's main owner, Investor AB, provided a vital foundation for building Sweden's robust export sector, comprised of internationally leading companies across a variety of industries.

In the 1990s, SEB set out a strategy focused on international expansion, long-term savings and the use of information technology to improve products and services for customers. In implementing this strategy, SEB restructured its operations, invested in new technologies, including e-banking solutions, and made strategic acquisitions.

The acquisition of Trygg-Hansa AB in 1997 enabled SEB to offer its customers a range of life insurance and pension savings products. To strengthen its presence in Northern Europe, SEB acquired the German bank BfG Bank AG (now SEB AG) in 2000. In the decade between 1998 and 2008, SEB also made investments in three Baltic banks, Eesti Uhispank in Estonia, Latvijas Unibanka in Latvia and Vilniaus Bankas in Lithuania. In 2000 through 2001, it acquired stakes aggregating 47.5 per cent. in Poland's Bank Ochrony Środowiska (**BOŚ**). These acquisitions were aimed at meeting increased client needs in those countries and at taking advantage of the long-term growth potential in the Baltic region and in Eastern Europe. During 2006, SEB sold its holding in BOŚ due to difficulties in gaining control and in realising its plans and instead opened a branch in Poland. SEB has taken further steps to support its customers in the Baltic countries and in Eastern Europe through acquisitions of the Latvian life insurance company, Balta Life, and of Bank Agio in Ukraine (renamed SEB Bank in May 2006). In addition, in April 2006, SEB acquired the Russian bank, PetroEnergoBank (renamed SEB Bank in the autumn of 2007). In 2007, SEB expanded in Ukraine by purchasing Factorial Bank, a bank with 65 branch offices in eastern Ukraine. In 2008, SEB acquired GMAC Commercial Finance Sp. z o.o. (**GMAC Commercial Finance**) in Poland, expanding its product offerings in the country to factoring and related services.

Through other acquisitions, including Diners Club Nordic (in 1994), the private bank Gyllenberg in Finland (in 1997), Orkla Finans in Norway (in 2000), Europay (the **Eurocard business**) in Norway (in 2002), Eurocard in Denmark (in 2004), Codan Pension in Denmark, now SEB Pension (in 2004), ABB Credit Oy in Finland (in 2005), Privatbanken in Norway (in 2005), KAM Group Limited (Key Asset Management) (in 2008) and Astrup & Partners AS in Norway (in 2009), SEB has further expanded its position in the Nordic region.

On 31st January, 2011, SEB completed the sale of its German retail banking business (which was part of the SEB AG business) in line with its strategy of concentrating on merchant banking and wealth management activities in Germany and the Nordic countries outside Sweden.

From its origins as primarily a Nordic bank established over 150 years ago, SEB has become a leading Nordic financial services group, with more than one-half of its customers and staff located outside Sweden.

### **Strategy**

SEB's long-term goal is to be the relationship bank of the Nordic region. SEB intends to focus on excelling in universal banking in Sweden, Estonia, Latvia and Lithuania by providing a full range of banking, wealth management and life insurance services to corporations, institutions and private individuals. SEB also intends to expand in core areas of strength, such as merchant banking and wealth management, in both the Nordic area and in Germany. In addition, SEB intends to selectively expand its life insurance and card services in the Nordic area and to support SEB's customers internationally through its network of strategic locations in major global financial centres. By becoming the relationship bank in its chosen markets, SEB expects to fulfil its mission to help people and businesses thrive by providing quality advice and financial resources and to achieve its vision to be the trusted partner for customers with aspirations.

Throughout the last few years, characterised by both a financial crisis and a fragile global economy, SEB's actions have been guided by its relationship focus. In this uncertain environment, SEB provided financing, risk management products and advisory services to its customers including at times when the markets were partially closed. SEB also developed its offering of savings products in asset management along with private banking and life insurance solutions to hedge downside risk. SEB's rights issue and the long-term funding it raised in 2009 ensured its capacity to extend this support. In the Baltic countries, SEB continued its efforts to build a robust banking platform and a strong customer franchise.

SEB believes that its experience in recent years demonstrates the merits of its ongoing evolution towards a relationship bank. This development represents a progression of the "Road to Excellence" programme that was established in 2006 with an initial focus on increased integration of SEB's organisation and a movement towards providing operational excellence through enhanced productivity and efficiency. SEB is continuing its work on integration within the Group in order to increase cross-selling and extract cost synergies through more efficient use of common resources. Toward this end, SEB has established a Group-wide programme, called SEB Way, which streamlines processes so that resources can be freed up and used more productively to generate further business. The programme has been implemented in all parts of the Group and has already established a favourable track record for both sales and support functions.

SEB believes that customer excellence is achieved by ensuring that the customer's perspective is taken into account in everything that SEB does, by empowering employees to make the right decisions for the customer and SEB, and by adhering to the fundamental tenet that customer loyalty leads to long-term profitability.

The banking environment remains uncertain and continues to require a strong and resilient foundation on which SEB can pursue its strategic direction. Having the required flexibility to accelerate or temper growth as needed, together with the capacity and focus to execute the strategy, will remain the key to success. SEB believes that its strong capital base and funding, solid market positions, competitive edge in the Nordic corporate market and support from its largest shareholder, Investor AB, are all advantages that will help it to exploit effectively market opportunities as they arise.

SEB's strategic priority in the near term is to expand its merchant banking and wealth management activities in the Nordic countries and Germany with a focus, in Germany, on the small and medium-sized enterprises ("SMEs") segment, to continue to develop its universal banking offering in Sweden, Estonia, Latvia and Lithuania and to grow and invest in its life insurance and the card businesses outside the Nordic countries. SEB expects that its expansion will be primarily organic, driven by increased market share and share of wallet, loan growth and increased customer activity. SEB intends to ensure that future expansion is balanced by sound risk management.

Reflecting the export oriented nature of the pan-Nordic and Baltic regions and its German corporate customer base, SEB intends to continue to offer dedicated support to customers pursuing international business. This support will be provided through SEB's branches and offices in significant locations and will be backed by strategic partnerships with regionally significant institutions.

#### *Strategic priorities by division*

The Merchant Banking division seeks to expand its core franchise by selling additional products to existing customers (both through an expanded product range and through enhanced cross-selling) and to acquire new customers in its main markets. In particular, SEB aims to expand in Norway, Denmark, Finland and Germany by utilising the division's proven strategy of providing internationally recognised high-quality products and value-added financial solutions within areas such as cash management, foreign exchange advisory services, trade finance and investment banking. In 2010, SEB recruited more than 60 senior professional staff in the Nordic region and Germany and acquired approximately 90 new large corporate customers. SEB intends to continue to expand its staff coverage with a view to attracting further significant corporate customers in 2011. In addition, outside its main markets, SEB intends to make selective investments in the division's international network and in locations which are strategic to the division in order to further improve the products and services offered to the division's clients with an international focus.

The Retail Banking division aims to further enhance its product range with a view to achieving future growth. In Sweden, the focus is on improving the products and services offered to customers as well as the overall customer experience and on further strengthening SEB's position with SMEs. SEB is also seeking to enhance the integration of its different banking channels. SEB's Card business is focused on organic growth and product development while reducing unit cost per transaction.

The Wealth Management division strives to offer enhanced advisory services and a broader range of alternative and absolute return-focused products. This division aims to shorten time-to-market for new, value-added products, as well as to further improve investment management performance. SEB believes that its strong position and leading product offering in both asset management and private banking in Sweden form a solid platform for further expansion outside Sweden, primarily in the Nordic and Baltic countries and Germany.

The Life division's business is focused on unit-linked insurance. In Sweden and Denmark, SEB believes that its main long-term growth opportunities are within the corporate pension and care areas. Maintaining quality leadership in Sweden and continuing the transition towards unit-linked and other non-traditional solutions in Denmark are top priorities. Furthermore, the division sees long-term opportunities in the emerging life insurance markets in the Baltic countries and is investing in order to capitalise on these opportunities.

With the Baltic division's return to profit in 2010, SEB is now focusing on becoming the most respected bank and the leading home bank in all three Baltic countries. Management of the Baltic division has developed a 10-point plan aimed at the continuing management of non-performing loans, improving efficiency, and enhancing the professional skills of personnel, customer interaction and the business culture.

#### **Share Capital and Shareholders**

The Bank's share capital is expressed in SEK and is distributed among the shares issued by the Bank. The Bank has two classes of shares outstanding: the A Shares and the C Shares. Each A Share carries one vote and each C share carries 0.1 vote. Each shareholder entitled to vote at a meeting may vote the full number of shares owned without limitation. Following the shareholders' resolution at the AGM of the Bank held on 6th March, 2009 and pursuant to the Bank's Articles of Association adopted at such AGM, the share capital shall amount to not less than SEK 10,000,000,000 and not more than SEK 40,000,000,000 and the number of shares shall not be less than 1,000,000,000 and shall not exceed 4,000,000,000. Each A Share and each C Share carries equal rights to dividends and any surplus in connection with liquidation.

As a result of SEB's rights issue, the total number of SEB's shares increased to 2,194,171,802 and the total share capital increased to SEK 21,941,718,020.

The following table shows the Bank's issued share capital as at 31st March, 2011:

Share series	Number of Shares	Votes	Percentage of	
			Capital	Votes
A .....	2,170,019,294	2,170,019,294	98.9%	99.9%
C.....	24,152,508	2,415,251	1.1%	0.1%
Total .....	2,194,171,802	2,172,434,545	100.0%	100.0%

As at 29th April, 2011, the Bank had 294,585 shareholders. As of 29th April, 2011, the 10 largest and 100 largest shareholders held 48.3 per cent. and 66.1 per cent. respectively, of the Bank's total share capital, and 48.5 per cent. and 66.2 per cent. of the total votes in the Bank, respectively. 180,156 shareholders or 61 per cent., held 500 shares or less as of 29th April, 2011.

As of 29th April, 2011 there were four shareholders in the Bank holding more than 2.5 per cent. of the share capital, as shown in the table below.

29th April, 2010	Number of Shares	Of which C shares	Percentage of all	
			Shares	Votes
Investor AB.....	456,089,264	2,725,000	20.8%	20.9%
Trygg Foundation <sup>(1)</sup> .....	177,447,478	0	8.1%	8.2%
Alecta <sup>(2)</sup> .....	154,050,000	0	7.0%	7.1%
Swedbank/Robur Funds .....	72,682,052	0	3.3%	3.4%

<sup>(1)</sup> Sw: Trygg-Stiftelsen.

<sup>(2)</sup> Sw: Alecta pensionsförsäkring ömsesidig.

### Corporate objects and purposes

In accordance with article three of the Bank's articles of association, its principal corporate objects and purposes are to carry on such banking and financial activities as are referred to in Chapter 1, Section 3 and Chapter 7, Section 1 of the Swedish Banking and Financing Business Act (2004: 297), together with all activities related thereto.

### Business Activities

SEB's activities are currently organised in five customer-oriented divisions and three Group-wide support functions (Group Operations, Group IT and Group Staff) in order to streamline operations and front-office support.

The divisions are:

- Merchant Banking;
- Retail Banking;
- Wealth Management;
- Life; and
- Baltic

Please see the "Documents Incorporated by Reference" section of this Information Memorandum for details on how the divisional financial statements have been restated to take into account the divestment of Retail Germany and certain other financial changes, including greater centralisation of the Treasury function and increased central cost allocation among the different divisions.

### Merchant Banking

The Merchant Banking division is primarily responsible for SEB's activities relating to large and medium-sized corporations – generally those corporations with annual revenues in excess of SEK 500 million or its equivalent – financial institutions and commercial real estate clients. Merchant Banking has three business areas:

- Trading and Capital Markets – which includes SEB's foreign exchange, fixed-income, equities and capital markets businesses and management of the Group's investment portfolio;
- Global Transaction Services – which includes SEB's cash management, trade finance, leasing and factoring and custody businesses; and
- Corporate Banking – which includes SEB's client relationship management function, commercial real estate, corporate finance and structured finance businesses.

The Merchant Banking division's business areas collectively cover a wide range of business activities, the main ones being: lending and debt capital markets; trading in equities, currencies, fixed-income, commodities, derivatives, futures and exchange traded funds; advisory services, brokerage, research and trading strategies within equity, fixed-income, commodities and foreign exchange markets; prime brokerage and securities-related financing solutions; corporate finance; export, project and asset-backed finance, acquisition finance; venture capital; cash management, liquidity management and payment services; custody and fund services; and trade and supply chain financing.

SEB's Merchant Banking division operates in the Nordic and Baltic countries and Germany and is supported through SEB's network of 14 international branches and representative offices located in London, New York, Singapore, Luxembourg, Paris, Hong Kong, Shanghai, Warsaw, Moscow, New Delhi and elsewhere. The division had 2,481 employees as of 31st March, 2011.

The following table sets out certain financial and other information for the Merchant Banking division for the three months ended 31st March, 2011 and 2010, extracted from the Interim Report. The financial and other information for the years ended 31st December, 2010 and 31st December, 2009 is extracted from the 2010 Annual Report.

	<b>As at/for the three months ended 31st March,</b>		<b>As at/for the year ended 31st December,</b>	
	<b>(unaudited)</b>			
	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>
Total operating income ( <i>SEK m</i> ).....	4,111	3,777	17,130	20,052
Total operating expenses ( <i>SEK m</i> ).....	(2,320)	(2,134)	(8,465)	(7,818)
Operating profit ( <i>SEK m</i> ).....	1,746	1,536	8,498	11,428
Percentage of Group total operating income .....	43	43	46	49
Percentage of Group operating profit.....	40	<sup>(1)</sup>	57	<sup>(1)</sup>
Percentage of Group staff <sup>(2)</sup> .....	14	14	15	15
Cost/income ratio .....	0.56	0.56	0.49	0.39
Business equity ( <i>SEK bn</i> ).....	25.6	25.8	28.2	35.1
Return on equity <sup>(3)</sup> (%).....	19.7	17.1	21.7	23.4

<sup>(1)</sup> No percentage share of operating profit is given for 2009 or for the three months ended 31st March, 2010 as such figures would not be meaningful in light of the operating losses recorded by the Baltic division.

<sup>(2)</sup> Approximately 35 per cent. of SEB's staff is allocated to various support functions rather than to a particular division. Group staff percentages are based on continuing operations.

<sup>(3)</sup> Return on equity is calculated using as an assumed tax rate of 28 per cent.

### Retail Banking

SEB's Retail Banking division provides services mainly to private individuals and SMEs. The Retail Banking division consists of three business areas:

- Retail Sweden; and
- Card (the SEB Kort AB group of companies).

Prior to its sale (which was completed on 31st January, 2011), Retail Germany also formed part of the Retail Banking division.

The Retail Banking division serves approximately 1.6 million private customers and approximately 160,000 SME customers, of which more than 100,000 are active users of the Bank's cash management services. This division's product range includes advisory services, mortgage and other lending, savings products and cards for both SMEs and private individuals in Sweden. The division had 3,498 employees as of 31st March, 2011.

SEB's Retail Banking division's customers have access to the range of SEB's product offerings and services through 161 branch offices in Sweden, internet banking and personal telephone banking services. Retail Banking also provides automatic bank service machines (including ATMs and machines for cash deposits).

The Card business area had issued a total of approximately 3.1 million charge, credit, debit and co-branded cards in issue as of 31st March, 2011 in the Nordic region. SEB's card issuing business includes brands such as Eurocard and Diners Club. SEB's Card business also includes credit card administration and a merchant acquiring business, under which it has agreements with more than 200,000 retailers to guarantee payments in connection with card purchases made by customers.

The following table sets out certain financial and other information for the Retail Banking division for the three months ended 31st March, 2011 and 2010, extracted from the Interim Report. The financial and other information for the years ended 31st December, 2010 and 31st December, 2009 is extracted from the 2010 Annual Report.

	As at/for the three months ended 31st March, (unaudited)		As at/for the year ended 31st December,	
	2011	2010	2010	2009
Total operating income ( <i>SEK m</i> ).....	2,215	2,064	8,569	9,034
Total operating expenses ( <i>SEK m</i> ).....	(1,574)	(1,457)	(5,541)	(5,303)
Operating profit ( <i>SEK m</i> ).....	544	411	2,484	2,891
Percentage of Group total operating income .....	23	24	23	22
Percentage of Group operating profit.....	12	— <sup>(1)</sup>	17	— <sup>(1)</sup>
Percentage of Group staff <sup>(2)</sup> .....	20	20	20	19
Cost/income ratio .....	0.71	0.71	0.65	0.59
Business equity ( <i>SEK bn</i> ).....	9.9	9.5	9.7	10.8
Return on equity <sup>(3)</sup> (%).....	16.2	12.8	18.9	19.8

<sup>(1)</sup> No percentage share of operating profit is given for 2009 or the three months ended 31st March, 2010 as such figures would not be meaningful in light of the operating losses recorded by the Baltic division.

<sup>(2)</sup> Approximately 35 per cent. of SEB's staff is allocated to various support functions rather than to a particular division. Group staff percentages are based on continuing operations.

<sup>(3)</sup> Return on equity is calculated using as an assumed average tax rate of 26 per cent.

### Wealth Management

The Wealth Management division consists of two business areas:

- Institutional Clients – which provides asset management services to institutions, foundations and life insurance companies, and is responsible for the investment management, marketing and sales of SEB's mutual funds; and
- Private Banking – which serves the higher end of the private individual segment with wealth management services and advice.

Wealth Management's operations are located mainly in the Nordic and Baltic countries, Germany and Luxembourg. Private Banking is mainly concentrated in Sweden, with international operations in Luxembourg. The product range offered by this division includes equity and fixed-income, private equity, real estate and hedge fund management. The division distributes its services mainly through its institutional client sales force, SEB's retail network and its own private banking units in SEB's core markets and in the United Kingdom, Singapore, Switzerland and Luxembourg, as well as through third-party distributors.

As of 31st December, 2010, the Wealth Management division was the second largest wealth manager in the Nordic region, with assets under management totalling SEK 1,321 billion. The division had 1,007 employees and assets under management of SEK 1,303 billion as of 31st March, 2011.

The following table sets out certain financial and other information for the Wealth Management division for the three months ended 31st March, 2011 and 2010, extracted from the Interim Report. The financial and other information for the years ended 31st December, 2010 and 31st December, 2009 is extracted from the 2010 Annual Report.

	As at/for the three months ended 31st March,		As at/for the year ended 31st December,	
	(unaudited)		2010	2009
	2011	2010	2010	2009
Total operating income (SEK m).....	1,154	997	4,384	3,646
Total operating expenses (SEK m).....	(748)	(679)	(2,736)	(2,505)
Operating profit (SEK m).....	405	317	1,651	1,142
Percentage of Group total operating income .....	12	11	12	9
Percentage of Group operating profit.....	9	– <sup>(1)</sup>	11	– <sup>(1)</sup>
Percentage of Group staff <sup>(2)</sup> .....	6	6	6	6
Cost/income ratio .....	0.65	0.68	0.62	0.69
Business equity (SEK bn).....	5.0	5.2	5.3	5.5
Return on equity <sup>(3)</sup> (%).....	23.1	17.7	22.5	14.9

<sup>(1)</sup> No percentage share of operating profit is given for 2009 or the three months ended 31st March, 2010 as such figures would not be meaningful in light of the operating losses recorded by the Baltic division.

<sup>(2)</sup> Approximately 35 per cent. of SEB's staff is allocated to various support functions rather than to a particular division. Group staff percentages are based on continuing operations.

<sup>(3)</sup> Return on equity is calculated using an assumed tax rate of 28 per cent.

### Life

The Life division operates mainly under SEB Trygg Liv Holding AB (SEB Trygg Liv), a wholly owned subsidiary of the Bank, and its various SEB Trygg Liv subsidiaries, which provide both unit-linked and traditional life insurance. The Life division has approximately 1.8 million customers and is organised into three business areas:

- SEB Trygg Liv (Sweden);
- SEB Pension (Denmark); and

- SEB Life & Pension International.

This division offers products within the area of pension and life insurance for individuals and corporations, mainly in Sweden, Denmark and the Baltic countries. While the Life division offers both unit-linked and traditional insurance, its sales focus is on unit-linked insurance, representing 85 per cent. of the division's total sales in 2010.

Certain portions of SEB's traditional life insurance business are run through entities or under portfolios and funds that are not consolidated into the Group's accounts.

The Life division's products are distributed through the retail branch network, insurance brokers and agents and approximately 400 of SEB's own insurance sales personnel in Sweden, Denmark and the Baltic countries. The division had 1,237 employees as of 31st March, 2011.

The following table sets out certain financial and other information for the Life division for the three months ended 31st March, 2011 and 2010, extracted from the Interim Report. The financial and other information for the years ended 31st December, 2010 and 31st December, 2009 is extracted from the 2010 Annual Report.

	As at/for the three months ended 31st March,		As at/for the year ended 31st December,	
	(unaudited)		2010	2009
	2011	2010	2010	2009
Total operating income ( <i>SEK m</i> ).....	1,130	1,184	4,539	4,425
Total operating expenses ( <i>SEK m</i> ).....	(619)	(602)	(2,337)	(2,310)
Operating profit ( <i>SEK m</i> ).....	511	582	2,202	2,115
Change in surplus value, net ( <i>SEK m</i> ).....	27	195	1,165	900
Business result <sup>(1)</sup> ( <i>SEK m</i> ).....	538	777	3,367	3,015
Percentage of Group total operating income.....	12	14	12	11
Percentage of Group operating profit.....	12	-( <sup>2</sup> )	15	-( <sup>2</sup> )
Percentage of Group staff <sup>(3)</sup> .....	7	7	7	6
Business equity ( <i>SEK bn</i> ).....	6.4	6.0	6.0	6.8
Return on equity based on business result <sup>(4)</sup> (%)	29.6	45.6	49.4	39.0

<sup>(1)</sup> An insurance company's costs for an insurance policy mainly arise when the contract is written. Income, on the other hand, accrues regularly throughout the duration of the policy. This means that in periods of rapid sales' growth in the insurance portfolio, actual costs exceed income, which thus has a negative impact on the operating result. At the same time, surplus values in operations increase. In order to provide a more true presentation of the life insurance business, the total business result is presented including the current period change in surplus values being the present value of future profits from existing insurance contracts.

<sup>(2)</sup> No percentage share of operating profit is given for 2009 or for the three months ended 31st March, 2010 as such figures would not be meaningful in light of the operating losses recorded by the Baltic division.

<sup>(3)</sup> Approximately 35 per cent. of SEB's staff is allocated to various support functions rather than to a particular division. Group staff percentages are based on continuing operations.

<sup>(4)</sup> Return on equity is calculated using an assumed tax rate of 12 per cent.

### **Baltic**

The Baltic division serves approximately 2.2 million private customers and 175,000 SME customers and is responsible for all lending activity in the Baltic countries. This division's product range includes advisory services, mortgage and other lending, savings products and cards for both SMEs and private individuals in Estonia, Latvia and Lithuania. The division had 3,200 employees as of 31st March, 2011.

The Baltic division's customers have access to the range of SEB's product offerings and services through 154 branch offices in the Baltic countries, internet banking and personal telephone banking services. The Baltic division also provides automatic bank service machines (including ATMs and machines for cash deposits).



The Baltic division is organised into three business areas by country:

- Estonia;
- Latvia; and
- Lithuania.

The following table sets out certain financial and other information for the Baltic division for the three months ended 31st March, 2011 and 2010, extracted from the Interim Report. The financial and other information for the years ended 31st December, 2010 and 31st December, 2009 is extracted from the 2010 Annual Report.

	<b>As at/for the three months ended 31st March,</b>		<b>As at/for the year ended 31st December,</b>	
	<b>(unaudited)</b>			
	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>
Total operating income ( <i>SEK m</i> ).....	740	869	2,846	3,794
Total operating expenses ( <i>SEK m</i> ).....	(428)	(533)	(2,089)	(4,571)
Operating profit ( <i>SEK m</i> ).....	886	(1,095)	(121)	(10,363)
Percentage of Group total operating income .....	8	10	7	9
Percentage of Group operating profit.....	20	<sup>(1)</sup>	negative	<sup>(1)</sup>
Percentage of Group staff <sup>(2)</sup> .....	18	19	17	18
Cost/income ratio .....	0.58	0.61	0.73	1.20
Business equity ( <i>SEK bn</i> ).....	8.3	11.8	11.8	11.8
Return on equity <sup>(3)</sup> (%).....	37.3	negative	negative	negative

<sup>(1)</sup> No percentage share of operating profit is given for 2009 or the three months ended 31st March, 2010 as such figures would not be meaningful in light of the operating losses recorded by the Baltic division.

<sup>(2)</sup> Approximately 35 per cent. of SEB's staff is allocated to various support functions rather than to a particular division. Group staff percentages are based on continuing operations.

<sup>(3)</sup> Return on equity is calculated using as an assumed average tax rate in the three Baltic countries.

## Competition

In Sweden, the banking system is highly consolidated, with the four largest banking groups – Nordea Bank AB, SEB, Svenska Handelsbanken AB and Swedbank AB – accounting for 82 per cent. of the total assets on the banking market as of 31st December, 2010, according to Statistics Sweden. These four banks together represent 73 per cent. of total Swedish customer deposits and 73 per cent. of total customer lending as of 31st December, 2010. Each of these banks offers comprehensive banking services to the entire Swedish corporate client base targeted by the Merchant Banking division. Despite their significant incumbent market shares, the four largest Swedish banks compete keenly both in terms of price as well as service, particularly in respect of the deposit market. This competitive environment is evidenced by the relatively low margins and fees in Sweden for the full range of corporate and retail financial services, in common with other well developed and consolidated European banking markets.

In the Swedish life insurance market, SEB's main competitors are Försäkringsaktiebolaget Skandia and Länsförsäkringar AB.

The three major banks in Sweden that SEB competes with are also key competitors from a Nordic perspective. SEB's main competitor in Finland is Nordea Bank AB, both in the corporate and wealth management segments. Sampo Bank ABP (part of Danske Bank A/S) is also a key competitor in Finland. In Norway, DnB NOR ASA and Fokus Bank ASA (also part of Danske Bank A/S) are the key competitors. SEB's two main competitors in Denmark are Danske Bank and Nordea. In the Danish life insurance market, Forsikringsselskabet Danica (owned by Danske Bank A/S) is the main competitor, and other competitors include Nordea Pension (Nordea Bank AB) and PFA Pension (PFA Holding A/S).

In Germany, SEB's business faces its primary competition from listed banks and the Landesbanken in the corporate banking area.

In the Baltic countries, SEB's main competitors are Swedbank AB, DnB Nord, Danske banka (previously Sampo banka) and Nordea Bank AB. Due to the more conservative and cautious approach to lending activities in the Baltic region since 2005 and continued lending by competitors at a higher pace, SEB's lending market shares in these countries has decreased during that time, particularly in Latvia and Estonia although it continues to rank among the leading banks in each country

SEB also competes with other large international banks in the wholesale and investment banking area, although, with the acceleration of the global economic downturn in 2008 and 2009, these institutions have focused less on markets perceived as non-core (such as the Nordic countries). In 2010, the competition from these banks increased but not to the extent experienced before the global financial crisis.

### **Subsidiaries and Affiliates**

The Bank is the parent company of the Group. The Bank's most significant subsidiary is SEB AG which is headquartered in Frankfurt am Main, Germany. Other large subsidiaries are Fondförsäkrings AB, SEB Pension A/S, SEB Kort AB, AS SEB Pank (Estonia), AS SEB banka (Latvia) and AB SEB bankas (Lithuania), which are all wholly owned, except for AB SEB bankas. SEB's subsidiaries as of 31st December, 2010 are listed in Note 26 to the 2010 Financial Statements incorporated by reference in this Base prospectus. In addition, a portion of SEB's traditional life insurance business is carried out through a non-consolidated entity, Gamla Liv, as described in Note 1, "Accounting Policies", to the 2010 Financial Statements.

### **Properties**

The Group's principal executive offices are located at Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden (telephone number: +46 771 62 10 00). It also operates through a number of other offices and branches located throughout the North European region and elsewhere internationally. In general, all of the Group's properties are leased.

## MANAGEMENT

The Board of Directors (the **Board**) has overall responsibility for the activities of the Group and decides on the nature of its business and its business strategies and goals.

The President is responsible for the day-to-day management of the Group's activities in accordance with the guidelines and established policies and instructions of the Board. The President reports to the Board.

The Group has three control functions, independent of the business operations: Internal Audit, Compliance and Risk Control.

### **Board of Directors**

Members of the Board are appointed by the shareholders at the annual general meeting for a term of office that lasts until the end of the next annual general meeting. In accordance with the Corporate Governance Code the Chairman of the Board is also appointed at the annual general meeting of the Bank's shareholders for a term of office until the end of the next annual general meeting. The Bank's articles of association specify that the Board shall consist of not less than six and not more than twelve members, with a maximum of six deputies. In addition, and in accordance with Swedish law, there must be directors appointed by the Bank's employees. At present, the Board has eleven members elected by the shareholders and two members and two deputies appointed by the Bank's employees. The President is the only member of the Board elected by the shareholders who is also an SEB employee.

The Board appoints and dismisses the President and his/her deputy as well as the Executive Vice Presidents, the Group Credit Officer, the members of the Group Executive Committee and the Head of Group Internal Audit.

### **Committees of the Board of Directors**

At present, there are three committees within the Board: the Risk and Capital Committee, the Audit and Compliance Committee and the Remuneration and Human Resources Committee. Minutes are kept of each committee meeting and the committees submit regular reports to the Board. Neither the President nor any other officer of the Bank is a member of the Audit and Compliance Committee or the Remuneration and Human Resources Committee. The President is a member of the Risk and Capital Committee of the Board. The work of the Board committees is regulated through instructions adopted by the Board.

#### *Risk and Capital Committee*

The Risk and Capital Committee of the Board supports the Board in establishing and reviewing the Group's organisation so that it is managed in such a way that risks inherent in the Group's activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules. The Committee decides the principles and parameters for measuring and allocating risk and capital within the Group. The Committee reviews and makes proposals for Group policies and strategies, such as the Group Risk Policy and Risk Strategy, the Group Credit Policy, the Group Capital Policy, the Group Liquidity and Pledge Policy and the Group Trading and Investment Policy approved by the Board and monitors the implementation of these policies. It also tracks risks in the Group as they develop. The Risk and Capital Committee makes proposals to the Board regarding the decisions to be taken by the Board concerning limits for market and liquidity risks. The Risk and Capital Committee also approves the President's proposal for the appointment and dismissal of the Head of Group Risk Control.

As far as credit matters are concerned, the Risk and Capital Committee adopts credit policies and instructions that supplement the Group Credit Policy and the Group Credit Instruction and makes decisions on individual credit matters (matters of major importance or of importance as to principles). In addition, the Risk and Capital Committee reviews on a regular basis both significant developments in the credit portfolio and the credit evaluation process within the Group. It also examines matters relating to operational risk, market and liquidity risk and insurance risk.

As far as capital matters are concerned, the Risk and Capital Committee regularly reviews essential changes in the overall capital and liquidity situation and the capital adequacy situation of the Group, including the implementation of Basel II. The Risk and Capital Committee deals with changes in the

Group's capital goals and with capital management matters, and makes proposals to the Board on such matters, including dividend levels and the set-up and utilisation of repurchase programmes of own shares. The Risk and Capital Committee consists of four members, including the President, and forms a quorum whenever a minimum of three members are present, including the Chairman or Deputy Chairman of the Risk and Capital Committee.

#### *Audit and Compliance Committee*

The Audit and Compliance Committee of the Board supports the work of the Board in terms of quality control of the Group's financial reports and internal control over financial reporting. When required, the Audit and Compliance Committee also prepares, for decision by the Board, proposals for the appointment or dismissal of the Head of Group Internal Audit. The Audit and Compliance Committee maintains regular contact with the external and internal auditors of the Group and discusses the co-ordination of the external and internal audit. During 2010, the Audit and Compliance Committee met with representatives of the external auditors on several occasions, without the President or any other member of the executive management of the Bank being present. The Audit and Compliance Committee deals with the accounts and interim reports, as well as with audit reports, including any changes in the accounting rules. It is responsible for ensuring that any remarks and observations from the auditors are followed up. The Audit and Compliance Committee decides on guidelines for which services other than auditing services may be procured by the Bank and the Group from the external auditors. It assesses the external auditors' work and independence and prepares proposals for new auditors prior to the annual general meeting's election of the auditors. The Audit and Compliance Committee establishes an annual audit plan for the internal audit function co-ordinated with the external audit plan.

The Audit and Compliance Committee also approves the President's proposal for the appointment and dismissal of the Head of Group Compliance and the Group's compliance plan. The internal audit and compliance activities are monitored on a continuous basis.

The Audit and Compliance Committee consists of three members, none of whom are employed by the Group. The Audit and Compliance Committee forms a quorum whenever a minimum of two members are present, including the Chairman or Deputy Chairman of the Audit and Compliance Committee.

#### *Remuneration and Human Resources Committee*

The Remuneration and Human Resources Committee of the Board prepares, for decision by the annual general meeting, a proposal for remuneration principles applicable to the President and the members of the Group Executive Committee, as well as a proposal for decision by the Board as to remuneration of the President and the Head of Group Internal Audit. The Remuneration and Human Resources Committee decides on issues concerning remuneration of the members of the Group Executive Committee according to the principles established by the annual general meeting. The Remuneration and Human Resources Committee also prepares matters regarding incentive programmes and pension plans, monitors the pension commitments of the Group and monitors, together with the Risk and Capital Committee of the Board, all measures taken to secure the pension commitments of the Group, including the development of the Group's pension foundations. It also discusses personnel matters of strategic importance, such as succession planning for strategically important positions and other management supply issues.

The Remuneration and Human Resources Committee consists of three members, none of whom is employed by the Group. The Remuneration and Human Resources Committee forms a quorum whenever a minimum of two members are present, including the Chairman or Deputy Chairman of the Remuneration and Human Resources Committee.

#### **President**

The President is responsible for the day-to-day management of the Group in accordance with the guidelines and established policies and instructions of the Board. The Board regulates the Group's activities and decides how the Group's divisions, including the non-Swedish activities carried out within branches and subsidiaries, shall be governed and organised.

The President has three different committees at her disposal for the purpose of managing the operations: the Group Executive Committee for business issues, the Group Credit Committee for credit issues and the Asset and Liability Committee for capital and risk issues.

*Group Executive Committee*

In order to protect the Group's interests, the President consults with the Group Executive Committee (**GEC**), its IT-Committee and its New Product Approval Committee on matters of major importance. The Group Executive Committee deals with, among other things, matters of common concern to several divisions, strategic issues, business plans, financial forecasts and reports.

The current members of the GEC are as follows:

<b>Name</b>	<b>Position, Other Assignments and Background</b>
Annika Falkengren	<p>President and Chief Executive Officer since November 2005.</p> <p><i>Other present assignments:</i> Director of Securitas AB, Ruter Dam and the Mentor Foundation. Deputy Chairman of the Swedish Bankers' Association.</p> <p><i>Background:</i> Annika Falkengren started as an SEB trainee in 1987 and worked in Trading &amp; Capital Markets from 1988 to 2000. She was appointed Global Head of Fixed Income in 1995, Global Head of Trading in 1997 and Head of Merchant Banking in 2000. In 2001, she became Head of the Corporate &amp; Institutions division and Executive Vice President of SEB, and, in 2004, Deputy Group Chief Executive.</p>
Jan Erik Back	<p>Executive Vice President, Chief Financial Officer since August 2008.</p> <p><i>Other present assignments:</i> None</p> <p><i>Background:</i> Jan Erik Back started his career at Svenska Handelsbanken AB, where he held various positions within finance between 1986 and 1998. He then moved to Skandia, where, after four years, he was appointed CFO. From 2007 to August 2008, Jan Erik Back was First Senior Executive Vice President and CFO of Vattenfall.</p>
Magnus Carlsson	<p>Executive Vice President, Head of Merchant Banking since 2005.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Magnus Carlsson worked at the Bank of Nova Scotia between 1980 and 1993, holding several leading positions in London. He was first employed by SEB in 1993. He became Head of Project &amp; Structured Finance, SEB Merchant Banking, in 1996, Head of Corporate Clients in 1999. He was also Deputy Head of SEB Merchant Banking and became Head of SEB Merchant Banking division and an Executive Vice President of SEB in 2005.</p>
Hans Larsson	<p>Head of SEB Group Strategy &amp; Business Development since January 2009.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Hans Larsson started at SEB within Trading &amp; Capital Markets in 1984 and was appointed Head of Fixed Income in 1986. He worked in Trading &amp; Capital Markets in New York between 1988 and 1992 and became Head of Debt Capital Markets in 1994. In 2002, he was appointed Deputy Global Head of Client Relationship Management. He was Head of SEB's Business Development and the CEO office between 2005 and 2006 and Head of SEB Group Staff between 2006 and 2008.</p>

Name	Position, Other Assignments and Background
Bo Magnusson	<p>Deputy President and CEO from July 2008; Head of SEB Business Support &amp; Group Staff since January 2009.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Bo Magnusson started his career at SEB Trading &amp; Capital Markets, holding positions as Head of Accounting and Controller within Trading &amp; Capital Markets, SEB Group Finance and Enskilda Securities. He was appointed Chief Financial Officer of SEB Merchant Banking in 1998 and Head of Staff Functions, Merchant Banking in 2000. He became Global Head of Cash Management &amp; Securities Services in 2003 and Deputy Head of SEB Merchant Banking in 2005. In 2005, he was appointed Head of Nordic Retail &amp; Private Banking and was Head of Retail Banking between 2007 and 2008.</p>
Mats Torstendahl	<p>Executive Vice President, Head of Retail Banking since January 2009.</p> <p><i>Background:</i> Mats Torstendahl started his career at ABB in 1985. In 1987, he moved to Östgöta Enskilda Bank, where he was branch manager in Stockholm between 1996 and 2000. He was appointed Executive Vice President of Danske Bank in Sweden in 2001 and Senior Executive Vice President and Head of Danske Bank Sweden and a member of Danske Bank Group Executive Committee between 2004 and 2008.</p>
Johan Andersson	<p>Chief Risk Officer since November 2010.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Johan Andersson held different positions within the Merchant Banking division in Stockholm, New York and London between 1980 and 1994. He moved to Group Credits in 1995, became Deputy Head of Group Credits and Risk in 2000 and Head of Group Credits and Risk in 2004.</p>
Viveka Hirdman-Ryrberg	<p>Head of Communications since September 2009.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Viveka Hirdman-Ryrberg was a consultant with Coopers &amp; Lybrand between 1987 and 1990. She was an analyst and asset manager within Wealth Management between 1990 and 1994 and was appointed as SEB's first Household Economist in 1994, a position she held until 2000. She was Head of Products at SEB Trygg Liv (Life division) between 2001 and 2004 and Group Press Officer between 2004 and 2006. She was appointed Head of the CEO Office in 2007.</p>
Martin Johansson	<p>Head of the Baltic division since it was established in June 2009.</p> <p><i>Other present assignments:</i> None.</p> <p><i>Background:</i> Martin Johansson was with Citigroup between 1987 and 2005, first in Citibank Sweden, then in various assignments around the world, including Country Head in Portugal (1999-2002) and Country Head in Canada (2002-2005). Prior to that, he spent three years in Indonesia where he was responsible for the Corporate Banking business and Corporate Finance and four years in Brazil as a Senior Banker. In 2005, he joined SEB as Global Head of Client Relationship Management within Merchant Banking.</p>

Name	Position, Other Assignments and Background
Jan Stjernstrom	<p>Head of the Life division since November 2010</p> <p><i>Other present assignments:</i> None</p> <p><i>Background:</i> Jan Stjernstrom started his career at Svenska Finans in 1978. He joined Citigroup as Deputy Managing Director, Citibank Stockholm in 1983. He was appointed Managing Director and Senior Credit Officer, Citibank London Branch in 1990, Market Manager and Country Corporate Officer in Finland in 2001, European Industry Head within Citigroup, London in 2003 and Head of Merchant Banking and Country Head of SEB in Finland in 2004. From 2007 to November 2010 Jan Stjernstrom was the CEO of SEB Trygg Liv, Sweden.</p>
Anders Johnsson	<p>Head of Wealth Management since November 2010</p> <p><i>Other present assignments:</i> None</p> <p><i>Background:</i> Anders Johnsson started his career at Götabanken in 1981. He has held different positions within SEB's Merchant Banking Division between 1984 and 1999 in Singapore, Stockholm, and Oslo. He was appointed Head of Private Client, Head of Strategy and Analyses and Head of Equity Trading for private clients within SEB Private Banking between 1999 and 2003. He was Head of Trading &amp; Capital markets, Merchant Banking between 2003 and 2010.</p>
Ulf Peterson	<p>Head of Group Human Resources &amp; Organisational Development since 1 November 2010</p> <p><i>Other present assignments:</i> None</p> <p><i>Background:</i> Ulf Peterson has been a SEB employee since 1987. He became a Branch Manager in Uppsala in 1992, was appointed Credit Manager, Region North in 1995 and Deputy Regional Manager, Region North in 1997. He held the same positions in Region East between 1998 and 2000, after which he was appointed Business Area Manager, Operations. He was Global Head of Private Banking between 2002 and 2006 and Global Head of Staff, Retail between 2007 and 2010.</p>
Pia Warnerman	<p>Global Head of Operations and IT since December 2010.</p> <p><i>Other present assignments:</i> Director of NASDAQ OMX Nordic Ltd.</p> <p><i>Background:</i> Pia Warnerman has been an SEB employee since 1987. Until 1992, she worked in Trading Capital Markets. Between 1992 and 1996, she worked as a Credit Analyst and between 1997 and 1999 she was responsible for credit administration within Merchant Banking in Stockholm. From 1999 to 2000 she worked in the Tokyo branch. Between 2000 and 2005 she was Head of Operations at Merchant Banking, Head of Global Transaction Services in Merchant Banking between 2005 and 2007 and Head of Group Operations between 2007 and 2010.</p>

#### *Group Credit Committee*

The Group Credit Committee (**GCC**) is the highest credit-granting body of the Group, with the exception of a few matters that are reserved for the Risk and Capital Committee of the Board. The GCC is also responsible for reviewing the credit-granting rules on a regular basis and for proposing relevant amendments to these rules to the Risk and Capital Committee of the Board. The GCC held 56 meetings during 2010.

### *Asset and Liability Committee*

The Asset and Liability Committee (**ALCO**) deals with issues relating to the overall risk level of the Group and its divisions, and determines risk limits and methods for risk-measuring and capital management, among other things. Within the framework of the Group Capital Policy and the Group Risk Policy, ALCO has established policy documents for the responsibility and management of the risks of the Group and for the relationship between risk and capital.

### *Management Advisory Group*

The Management Advisory Group (**MAG**) is a forum for information exchange at Group level, which consists of senior officers representing the whole Group. The members of the MAG are appointed by the President, in consultation with the GEC.

### **Internal audit, compliance and risk control**

Group Internal Audit is an independent group-wide function, reporting directly to the Board. The main responsibility of Group Internal Audit is to provide reliable and objective assurance to the Board and the President on the effectiveness of controls, risk management and governance processes mitigating current and evolving risks and in so doing enhancing the control culture within the Group. The Head of Group Internal Audit reports regularly to the Audit and Compliance Committee of the Board and keeps the President and the Group Executive Committee regularly informed. The Audit and Compliance Committee adopts an annual plan for the work of Group Internal Audit.

A compliance organisation, Group Compliance, was launched in January 2008. The Group Compliance function is fully independent from the business operations, although it serves as a support function for the Group's business operations. It is also separated from the legal functions of the Group. Group Compliance is instructed to act proactively for compliance quality in the Group by information, advice, control and follow-up within the compliance areas. Areas of responsibility are customer protection, market conduct, prevention of money laundering and financing of terrorism, and regulatory systems and control. The duties of the Group Compliance function are risk management, monitoring, reporting, development of internal rules within the compliance area, investigation of incidents, advising, training and communication, as well as relations with regulators. The task of the Head of Group Compliance is to assist the Board and the President on compliance matters and to co-ordinate the handling of such matters within the Group. The Head of Group Compliance reports regularly to the President and the GEC and informs the Audit and Compliance Committee about compliance issues. Following a Group-wide compliance risk assessment and approval from the Audit and Compliance Committee, the President adopts an annual compliance plan.

The Group's risk control function, Group Risk Control, carries out the Group's risk control and monitors the risks of the Group, primarily credit risk, market risk, insurance risk, operational risk and liquidity risk. The Head of Group Risk Control is appointed by the President and reports to the Group Credit Officer. ALCO is regularly informed. The Head of Group Risk Control presents reports on risk control matters to the Risk and Capital Committee.

The Board has adopted instructions for the internal audit and compliance activities of the Group. The President has adopted an instruction for the Group Risk Control activities.



## Directors of SEB

As at the date hereof, the members of the Board are as follows:

### *Directors elected at the 2011 Annual General Meeting*

<b>Name</b>	<b>Position</b>
Marcus Wallenberg <sup>(2)(5)(7)</sup>	<i>Chairman of the Board.</i> Chairman of Saab AB and AB Electrolux. Director of AstraZeneca PLC, Stora Enso Oyj, the Knut and Alice Wallenberg Foundation and Temasek Holdings (Private) Ltd.
Tuve Johannesson <sup>(8)</sup>	<i>Deputy Chairman of the Board.</i> Chairman of Ecolean International A/S. Director of Cardo AB and Meda AB. Industrial advisor to JCB Excavators Ltd and EQT.
Jacob Wallenberg	<i>Deputy Chairman of the Board.</i> Chairman of Investor AB. Deputy Chairman of Atlas Copco AB, Telefonaktiebolaget LM Ericsson and SAS AB. Director of ABB Ltd, the Knut and Alice Wallenberg Foundation, the Coca-Cola Company and Stockholm School of Economics.
Signhild Arnegård Hansen	Chairman of Svenska Lantchips AB Utah Chips Corporation and Les Artisansdu Gout Spr. Director of e.g. Research Institute of Industrial Economics of Sweden, the Swedish-American Chamber of Commerce (New York), Innventia AB, Loomis, IFL (at Stockholm School of Economics) and Lund University.
Urban Jansson <sup>(1)</sup>	Chairman of Bergendahl & Son AB, Rezidor Hotel Group AB, HMS Networks AB and Global Health Partner AB and others. Director of e.g. Clas Ohlson AB and Höganäs AB.
Birgitta Kantola <sup>(9)</sup>	Director of NasdaqOMX (New York), StoraEnso Oyj (Helsinki) and Nobina AB (Stockholm). Managing partner of Birka Consulting, Helsinki.
Tomas Nicolin <sup>(6)</sup>	Director of Nordstjernan AB, Axel and Margaret Ax:son Johnsons Foundation, Active Biotech, Nobel Foundation and the Centre for Justice and Research Institute of Industrial Economics member of advisory Board Stockholm School of Economics and the Investment Committee of NIAM Property Fund.
Johan H. Andresen, Jr.	Owner and Chief Executive Officer of Ferd, Norway. Director of Civita– Center for Business and Society, Junior Achievement Young Enterprise Europe och NMI–Norwegian Microfinance Initiative, Storebrand ASA Board of Representatives, Orkla ASA Corporate Assembly and Corporate Partners Advisory Board at BI Norwegian School of Management.
Jesper Ovesen <sup>(3)</sup>	Chief Financial Officer of TDC A/S. Director of FLSmidth & Co A/S, Danisco A/S and Orkla ASA.
Carl Wilhelm Ros <sup>(4)</sup>	Chairman of Martin Olsson Handelsaktiebolag. Director of Anders Wilhelmsen & Co A/S, Camfil AB, INGKA (Ikea) Holding B.V. and Bisnode Business Information Group AB.
Annika Falkengren <sup>(3)</sup>	<i>President and Group Chief Executive.</i> Director of Securitas AB, Ruter Dam and the Mentor Foundation. Deputy Chairman of the Swedish Bankers Association.

Name	Position
<i>Directors appointed by the employees:</i>	
Göran Lilja	Chairman of the Financial Sector Union of Sweden SEB Group. Chairman of the Regional Club Väst of the same union. Director of the European Works Council SEB Group.
Cecilia Mårtensson	Deputy Chairman of Financial Sector Union of Sweden SEB Group. Chairman of local Club Group Operations of the same union. Director of Financial Sector Union of Sweden.
<i>Deputy Directors appointed by the employees:</i>	
Göran Arrius	Chairman of Association of University Graduates at SEB and JUSEK. Member of the Board of SACO.
Pernilla Pålman	Second Deputy Chairman Financial Sector Union of Sweden SEB.

<sup>(1)</sup> Chairman of Risk and Capital Committee of Board of Directors.

<sup>(2)</sup> Deputy Chairman of Risk and Capital Committee of Board of Directors.

<sup>(3)</sup> Member of Risk and Capital Committee of Board of Directors.

<sup>(4)</sup> Chairman of Audit and Compliance Committee of Board of Directors.

<sup>(5)</sup> Deputy Chairman of Audit and Compliance Committee of the Board of Directors.

<sup>(6)</sup> Chairman of Remuneration and Human Resources Committee of the Board of Directors.

<sup>(7)</sup> Deputy Chairman of Remuneration and Human Resources Committee of the Board of Directors.

<sup>(8)</sup> Member of Remuneration and Human Resources Committee of the Board of Directors.

<sup>(9)</sup> Member of Audit and Compliance Committee of Board of Directors.

None of the persons described in this “Management” section of the Information Memorandum has any actual or potential conflict of interest between his or her duties to the Bank and his or her private interests and/or other duties.

The business address of each of the persons described in this “Management” section of the Information Memorandum is Skandinaviska Enskilda Banken, Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden.

## BOOK ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, and Clearstream, Luxembourg (together, the **Clearing Systems**) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Bank, the Fiscal Agent or any other agent party to the Fiscal Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### **DTC**

DTC is a limited purpose trust company organised under the laws of the State of New York, a member of the United States Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities among its participants and to facilitate the clearance and settlement of securities transactions among participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movements of security certificates. Participants include securities brokers and dealers, banks, trust companies and certain other organisations. DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Indirect access to DTC is available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant either directly or indirectly.

DTC will take any action permitted to be taken by the holder of a beneficial interest in a Registered Global Note (including, without limitation, the presentation of a Registered Global Note for exchange as described above) only at the direction of one or more participants to whose account with DTC interests in such Registered Global Note are credited and only in respect of such portion of the aggregate nominal amount of Notes in respect of which such participant or participants has or have given such direction. If an Event of Default under the Notes occurs, DTC will exchange the Registered Global Notes for definitive Registered Notes, legended as appropriate, which it will distribute to the relevant participants.

### **Clearstream, Luxembourg and Euroclear**

Clearstream, Luxembourg and Euroclear each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Clearstream, Luxembourg and Euroclear provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Clearstream, Luxembourg and Euroclear participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Clearstream, Luxembourg or Euroclear is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with Clearstream, Luxembourg or Euroclear participants, either directly or indirectly.

Payments with respect to book-entry interests in the Global Notes held indirectly through Clearstream, Luxembourg or Euroclear will be credited to the cash accounts of Clearstream, Luxembourg or Euroclear participants in accordance with the relevant system’s rules and procedures.

### **Book-Entry Ownership of Registered Global Notes**

The Bank may make application to DTC for acceptance in its book-entry settlement system of any Tranche of Notes represented by a Regulation S Global Note and/or a Rule 144A Global Note, respectively.

The custodian with whom any Registered Global Notes are deposited (the **Custodian**) and DTC will electronically record the nominal amount of the Notes represented by such Registered Global Notes held within the DTC system. Prior to expiry of the Distribution Compliance Period applicable to any Tranche

of Notes, investors may hold their interests in a Regulation S Global Note only through Clearstream, Luxembourg or Euroclear. Clearstream, Luxembourg and Euroclear will hold interests in the Regulation S Global Note on behalf of their accountholders through customers' securities accounts in Clearstream, Luxembourg's or Euroclear's respective names on the books of their respective depositaries, which in turn will hold interests in the Regulation S Global Notes in customers' securities accounts in the depositaries' names on the books of DTC. Investors may hold their interests in a Rule 144A Global Note or in a Regulation S Global Note (only after the expiry of the Distribution Compliance Period) directly through DTC if they are participants in such system, or indirectly through organisations which are participants in such system. Payments of principal and interest in respect of Registered Global Notes registered in the name of DTC's nominee will be to or to the order of its nominee as the registered holder of such Registered Global Note. The Bank expects that the nominee will, upon receipt of any such payment, immediately credit DTC participants' accounts with any such payments denominated in the U.S. dollars in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Registered Global Note as shown on the records of DTC or the nominee. In the case of any such payments which are denominated otherwise than in U.S. dollars payment of such amounts will be made to the Exchange Agent on behalf of the nominee who will make payment of all or part of the amount to the beneficial holders of interests in such Registered Global Note directly, in the currency in which such payment was made and/or cause all or part of such payment to be converted into U.S. dollars and credited to the relevant participant's DTC account as aforesaid, in accordance with instructions received from DTC. The Bank also expects that payments by DTC participants to owners of beneficial interest in any Registered Global Note held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. Neither the Bank nor any agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such ownership interests.

#### **Transfers of Notes represented by Registered Global Notes**

Transfers of interests in Registered Global Notes within DTC, Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant system. The laws in some states in the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer a beneficial interest in a Registered Global Note to such persons may require that such interests be exchanged for Notes in definitive form. Because DTC can only act on behalf of participants in DTC, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Registered Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest may require that such interests be exchanged for Definitive Registered Notes. The ability of the holder of a beneficial interest in any Registered Note represented by the Registered Global Notes to resell, pledge or otherwise transfer such interest may also be impaired if the proposed transferee of such interest is not eligible to hold the same through a participant or indirect participant in DTC.

#### **Bearer Notes**

Bearer Notes held outside the United States may be held in book-entry form through Clearstream, Luxembourg or Euroclear. Clearstream, Luxembourg and Euroclear will operate with respect to the Notes in accordance with customary Euromarket practice.

## NOTICE TO PURCHASERS AND HOLDERS OF NOTES AND TRANSFER RESTRICTIONS

*As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.*

Each prospective purchaser of Legended Notes, by accepting delivery of this Information Memorandum, will be deemed to have represented and agreed as follows:

- (1) Such offeree acknowledges that this Information Memorandum is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Information Memorandum, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Bank, is prohibited.
- (2) Such offeree agrees to make no photocopies of this Information Memorandum or any documents referred to herein.

Each purchaser of an interest in an Note offered and sold in reliance on Rule 144A (a **Rule 144A Note**) will be deemed to have represented and agreed as follows (terms used in this paragraph that are not defined herein will have the meaning given to them in Rule 144A or in Regulation S, as the case may be):

- (a) The purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring Notes for its own account or for the account of a QIB;
- (b) The purchaser understands that such Rule 144A Note is being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Rule 144A Note has not been and will not be registered under the Securities Act or any other applicable securities law and may not be offered, sold or otherwise transferred unless registered pursuant to or exempt from registration under the Securities Act or any other applicable securities law; and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Rule 144A Note, such Rule 144A Note may be offered, sold, pledged or otherwise transferred only (A) to a person who the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (B) in an offshore transaction in accordance with Regulation S or (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and in each of such cases in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and that (ii) the purchaser will, and each subsequent holder of the Rule 144A Note is required to, notify any purchaser of such Rule 144A Note from it of the resale restrictions referred to in (i) above and that (iii) no representation can be made as to the availability of the exemption provided by Rule 144A under the Securities Act for resale of Notes.
- (c) Each Rule 144A Note will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Bank determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE BANK AND THE DEALERS THAT (A) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES

ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

## TAXATION

### Swedish Taxation

The following is a general description of certain Swedish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amount under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the laws as in effect on the date of the Information Memorandum and is subject to any change in law that may take effect after such date.

Under Swedish tax law payment of any principal or interest to the holder of any Notes is normally not subject to Swedish income tax, provided that such holder is not tax resident in Sweden. A person is resident in Sweden if he (a) is domiciled in Sweden or (b) has his habitual abode in Sweden or (c) earlier has been domiciled in Sweden and after having moved abroad continues to have an essential connection with Sweden (for example is engaged in trade or business in Sweden). A person can also be liable to tax in Sweden if engaged in trade or business through a permanent establishment in Sweden. Holders of Notes are not deemed to be resident, domiciled or carrying on business in Sweden by reason only of holding such Notes.

Swedish tax law does not provide for the deduction of or withholding from payments of any principal or interest to the holder of any Notes except on payments of interest to a holder who is an individual or an estate of a deceased individual with tax residence in Sweden. In such case deduction of 30 per cent. is made from any interest payments.

Holders of Notes who are not tax resident in Sweden are normally not taxable in Sweden for gains realised on disposal or redemption of the Notes. However, individuals who are not tax resident in Sweden may be subject to capital gains taxation in Sweden. This is the case where the Notes qualify as participation rights (*Sw.delägar rätt*) and provided that the holder, at any time during the calendar year when the sale or redemption occurs, or during the preceding ten calendar years, has been domiciled or permanently resident in Sweden. In many cases, however, the applicability of this rule is limited by tax treaties between Sweden and other countries.

In principle, securities may be regarded as participation rights for tax purposes where the structure or mode of operation of the securities are similar to shares or other securities specifically mentioned in the tax code. The qualification will be made on a case to case basis, but Notes may qualify as participation rights in case the underlying assets comprise of more than 50 per cent. shares or other participation rights.

No inheritance tax, gift tax or net wealth tax is levied in Sweden.

The EU Savings Directive (see below) has been implemented in Sweden.

### EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Bank to any one or more of Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, Natixis, SEB AG, Skandinaviska Enskilda Banken AB (publ), Société Générale, The Royal Bank of Scotland plc, UBS Limited and UniCredit Bank AG (the **Dealers**) or to any other person. The arrangements under which Notes may from time to time be agreed to be sold by the Bank to, and purchased by, Dealers are set out in an Amended and Restated Dealership Agreement (the **Dealership Agreement** which expression shall include any amendments or supplements thereto) dated 20th June, 2011 and made between the Bank and the Dealers. Any such agreement will *inter alia* make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Bank in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of existing Dealers and the appointment of additional or other Dealers.

### *The United States of America*

Notes 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 accordance with Regulation S or in certain transactions exempt from the registration requirements of the Securities Act, including Rule 144A. Terms used in the preceding sentence have the meaning given to them by Regulation S under the Securities Act. Notes in bearer form 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 U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealership Agreement, it has not offered, sold or delivered and will not offer, sell or deliver Notes of any identifiable tranche, (i) as part of their distribution at any time or (ii) otherwise until forty days after the later of the date of issue of the relevant Notes and completion of the distribution of such tranche, as certified to the Fiscal Agent or the Bank by such Dealer (or in the case of a sale of an identifiable tranche of Notes to or through more than one Dealer by each of such Dealers as to Notes of such tranche purchased by or through it, in which case the Fiscal Agent or the Bank shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and it will have sent to each Dealer to which it sells Notes during the Distribution Compliance Period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

Accordingly, neither the Dealers, their affiliates (if any) nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes and the Dealers, their affiliates (if any) and any person acting on their behalf have complied with the offering restrictions of Regulation S.

In addition, until 40 days after the commencement of the offering of Notes comprising any Series, any offer or sale of Notes of such Series within the United States by a 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 applicable exemption from registration under the Securities Act.

Notwithstanding the foregoing, Dealers nominated by the Bank may arrange for the offer and sale of Registered Notes in the United States pursuant to Rule 144A under the Securities Act. Each purchaser of such Notes is hereby notified that the offer and sale of such Notes may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

In addition, certain Notes in respect of which any payment is determined by reference to an index or formula, or to changes in prices of securities or commodities, or certain other Notes will be subject to such



additional U.S. selling restrictions as the Bank and the relevant Dealers may agree, as indicated in the relevant Final Terms. Each Dealer has agreed that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

*Public Offer Selling Restriction under the Prospectus Directive*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Information Memorandum as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-Exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-Exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Bank for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (b) to (d) above shall require the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

*The United Kingdom*

In relation to each Tranche of Notes, each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, to the Bank and each other relevant Dealer (if any) that:

- (1) *Financial Promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if it was not an authorised institution, apply to the Bank; and

- (2) *General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### *Japan*

The Notes 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 each Dealer has 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, 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, regulation and ministerial guidelines of Japan.

#### *General*

With the exception of the approval by the UK Listing Authority of this Information Memorandum as a base prospectus issued in compliance with the Prospectus Directive and the relevant implementing measures in the United Kingdom, and other than with respect to the listing of the Notes on the relevant stock exchange, listing authority and/or quotation system, no action has been or will be taken in any country or jurisdiction by the Bank or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Information Memorandum or any Final Terms comes are required by the Bank and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the preceding paragraph.

Selling restrictions may be supplemented or modified with the agreement of the Bank. Any such supplement or modification will be set out in the applicable Final Terms (in the case of a supplement or modification relevant only to particular Notes) or (in any other case) in a supplement to this document.

## GENERAL INFORMATION

1. It is expected that each issue of Notes which is to be admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's regulated market and to be admitted to the Official List will be admitted separately as and when issued, subject only to the issue of a Global Note initially representing the relevant Notes.
2. The establishment of the Programme was authorised by a resolution of the Board of the Bank at a meeting held on 20th August, 1991.
3. Neither the Bank 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 Bank 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 Bank or the Group.
4. Since 31st March, 2011, the last day of the financial period in respect of which the most recent unaudited interim financial statements of the Bank have been published, there has been no significant change in the financial or trading position of the Bank or the SEB Group, nor, since 31st December, 2010, has there been any material adverse change in the prospects of the Bank or the SEB Group.
5. The consolidated and non-consolidated financial statements of the Bank for the years ended 31st December, 2009 and 31st December, 2010 have been prepared in accordance with IFRS and have been audited by PricewaterhouseCoopers AB in accordance with generally accepted auditing standards in Sweden and unqualified opinions have been reported thereon.
6. For the financial years ended 31st December, 2009 and 31st December, 2010 the Bank's Independent Auditors appointed by its shareholders at the relevant annual general meeting were PricewaterhouseCoopers AB. PricewaterhouseCoopers AB is associated with FAR SRS, the professional institute for authorised public accountants, approved public accountants and other highly qualified professionals in the accountancy sector in Sweden.
7. For the period of 14 days after the date of this Information Memorandum and throughout the life of the Programme, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Fiscal Agent and Principal Registrar and from the principal office of the Bank, namely:
  - (a) the Articles of Association of the Bank, together with an English translation thereof;
  - (b) a copy of this Information Memorandum;
  - (c) the Dealership Agreement;
  - (d) the Fiscal Agency Agreement;
  - (e) the Deed of Covenant;
  - (f) the Deed Poll;
  - (g) the audited non-consolidated financial statements (in English) of the Bank and the consolidated audited financial statements (in English) of the Group for the years ended 31st December, 2009 and 31st December, 2010, in each case together with the audit reports prepared in connection therewith, the consolidated unaudited financial statements (in English) of the Group as at and for the three month period ended 31st March, 2011, and any interim unaudited consolidated financial statements (in English) published subsequently to the date hereof; and
  - (h) any future Information Memoranda, prospectuses, offering circulars and supplements (including Final Terms save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by the holder of such Note and such

holder must produce evidence satisfactory to the Bank and the Paying Agent concerned as to its holding of Notes and identity) and any other documents or information incorporated herein or therein by reference.

8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, International Securities Identification Number, CUSIP and/or CINS in relation to the Notes of each Series and any other clearing system as shall have accepted the relevant Notes for clearance will be contained in the Final Terms relating thereto.

The Bank may make an application with respect to each Series of Notes in registered form for such Notes to be accepted for trading in book-entry form by DTC. All payment of principal and interest with respect to Notes denominated in any currency other than U.S. Dollars and registered in the name of the nominee for DTC will be converted in U.S. Dollars unless the relevant participants in DTC elect to receive such payment of principal or interest in that other currency. Acceptance of each Series of Notes for trading through DTC will be confirmed in the Final Terms relating thereto. Application may be made for trading of such Notes in PORTAL.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, 25th Floor, New York, NY 10041-0099, United States.

9. The price and amount of Notes to be issued under the Programme will be determined by the Bank and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

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**ALTERNATIVE REGISTRAR**

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Skandinaviska Enskilda Banken

*(Incorporated in the Kingdom of Sweden with limited liability)*

## **Global Programme for the Continuous Issuance of Medium Term Notes, Capital Contribution Securities and Covered Bonds**

This Supplement (the **Supplement**) to the Information Memorandum dated 20 June 2011, as supplemented on 20 July 2011, in relation to the Global Programme for the Continuous Issuance of Medium Term Notes, Capital Contribution Securities and Covered Bonds (the **Information Memorandum**), which comprises a Base Prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**) and is prepared in connection with the Global Programme for the Continuous Issuance of Medium Term Notes, Capital Contribution Securities and Covered Bonds (the **Programme**) which was established by Skandinaviska Enskilda Banken AB (publ) (**SEB**). Investors should be aware of their rights under Section 87Q(4) of the FSMA.

Terms defined in the Information Memorandum have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Information Memorandum and any other supplements to the Information Memorandum issued by SEB.

SEB accepts responsibility for the information contained in this Supplement. To the best of the knowledge of SEB (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

On 27 October 2011, SEB published its interim report January-September 2011 (the **Interim Report**) containing its unaudited consolidated interim financial statements (including the auditors' limited review report thereon) in respect of the nine month period ended 30 September 2011 (the **Q3 Financial Statements**), together with the publication entitled "Fact Book January-September 2011" relating thereto (the **Q3 Fact Book**). Copies of the Interim Report and the Q3 Fact Book have been filed with the Financial Services Authority.

Accordingly, the purpose of this Supplement is to (i) incorporate by reference various sections of the Interim Report and the Q3 Fact Book as specified below; (ii) update the Summary of the Programme contained in the Information Memorandum to include a summary of the Q3 Financial Statements; (iii) update the General Information section of the Information Memorandum; and (iv) update the "Group Executive Committee" section of the Information Memorandum.

By virtue of this Supplement, the following documents shall be deemed to be incorporated in, and to form part of, the Information Memorandum:

1. the Q3 Financial Statements set out on pages 8-30 (inclusive) of the Interim Report; and
2. the section entitled "Market Risk" set out on page 43 of the Q3 Fact Book.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of

this Supplement for the purposes of the Prospectus Directive (Directive 2003/71/EC) except where such information or other documents are specifically incorporated by reference.

The non-incorporated parts of the Interim Report and the Q3 Fact Book are either not relevant for the investor or covered elsewhere in the Offering Circular.

The Information Memorandum is amended by this Supplement as follows:

1. A new final paragraph of the section entitled "Issuer" contained in the Summary of the Programme beginning on page 7 of the Information Memorandum shall be deemed to be inserted as follows:

"On 27th October, 2011, SEB published its interim report entitled "Interim report January – September 2011" containing its unaudited consolidated interim financial results as at and for the nine month period ended 30th September, 2011. These results are summarised below:

**Unaudited consolidated interim income statement for the nine months ended 30th September, 2011 (SEKm)**

Total operating income	28,446
Total operating expenses	(17,297)
Operating profit	12,364
Net profit	8,810

**Unaudited consolidated interim balance sheet as at 30th September, 2011 (SEKm)**

Total assets	2,359,336
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**Unaudited key ratios as at/for the nine months ended 30th September, 2011**

Return on equity, %	11.53
Basic earnings per share, SEK	4.00
Cost/income ratio, continuing operations	0.61
Credit loss level, %	(0.13)
Net level of impaired loans, %	0.43
Total capital ratio, % (Basel II, with transitional floor)	12.77
Tier 1 capital ratio, % (Basel II, with transitional floor)	13.06

2. Following the departure of Bo Magnusson from the Group Executive Committee on 31 October 2011, the paragraph entitled "Bo Magnusson" of the section entitled "Group Executive Committee" on page 133 of the Information Memorandum shall be deemed deleted.
3. Martin Johansson was appointed as Head of Business Support in place of Bo Magnusson and, accordingly, the paragraph entitled "Martin Johansson" on page 134 of the Information Memorandum shall be amended as follows:
  - 3.1 the sentence "Head of the Baltic division since it was established in June 2009." is deemed deleted and replaced with "Head of Business Support since November 2011."; and
  - 3.2 the final paragraph in the "Background" section of Martin Johansson's profile is deemed deleted and replaced with the following sentence:

"In 2005, he joined SEB as Global Head of Client Relationship Management within Merchant Banking and, in 2009, he became Head of the Baltic division."

4. Paragraph 4 of the section entitled "General Information" on page 147 of the Information Memorandum shall be deemed deleted and replaced with the following paragraph:

"Since 30th September, 2011, the last day of the financial period in respect of which the most recent unaudited interim financial statements of the Bank have been published, there has been no significant change in the financial or trading position of the Bank or the SEB Group, nor, since 31st December, 2010, has there been any material adverse change in the prospects of the Bank or the SEB Group."

Copies of all documents incorporated by reference in the Information Memorandum can be obtained from SEB and the Paying Agent in London as described on page 147 of the Information Memorandum.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Information Memorandum by this Supplement and (b) any other statement in or incorporated in the Information Memorandum, the statements in (a) above will prevail.

Save as disclosed in this Supplement and any supplement to the Information Memorandum previously issued, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Information Memorandum since the publication of the Information Memorandum.