

## OFFERING CIRCULAR



# Svenska Handelsbanken AB (publ)

(Incorporated as a public limited liability banking company in The Kingdom of Sweden)

**U.S.\$50,000,000,000**

## **Euro Medium Term Note Programme**

**for the issue of Notes**

**with a minimum maturity of one month**

On 26th June, 1992 Svenska Handelsbanken AB (publ) (the "Issuer" or the "Bank") entered into a U.S.\$1,500,000,000 Euro Medium Term Note Programme (the "Programme") and issued an offering circular on that date describing the Programme. This Offering Circular supersedes any previous offering circular and supplements therein prepared in connection with the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes already in issue.

Under the Programme, the Bank may from time to time issue Notes (the "Notes"), which expression shall include Notes (i) issued on a senior preferred basis as described in Condition 3 ("Senior Preferred Notes"), (ii) issued on a senior non-preferred basis as described in Condition 4 ("Senior Non-Preferred Notes"), (iii) issued on a subordinated basis and which rank on any voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Bank as described in Condition 5 ("Subordinated Notes") and (iv) issued on a subordinated basis with no fixed maturity and which rank on any voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Bank as described in Condition 6 ("Additional Tier 1 Notes").

The Outstanding Principal Amount (as defined in Condition 2) of each Series (as defined below) of Additional Tier 1 Notes will be subject to Write Down (as defined in Condition 2) if the Common Equity Tier 1 Capital Ratio (as defined in Condition 2) of the Bank and/or the Handelsbanken Group (as defined in Condition 2) is less than the relevant Trigger Level (as defined in Condition 2). Following such Write Down, the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series may, at the Bank's sole and absolute discretion, be reinstated in whole or in part if certain conditions are met. See Condition 9.

The Notes contain only limited events of default, as described in "Terms and Conditions of the Notes". The Notes may be denominated in any currency agreed by the Bank and the relevant Purchasers (as defined below). Subject as set out herein, the Notes will have a minimum maturity of one month. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$50,000,000,000 (or its equivalent in other currencies at the time of agreement to issue calculated as described in the Programme Agreement described herein).

The Notes will be issued to one or more of the Dealers specified on pages 8 to 9 (each a "Dealer" and together the "Dealers", which expression shall include any additional Dealer appointed under the Programme from time to time) on a continuing basis. Notes may also be issued to third parties other than Dealers. Dealers and such third parties are referred to as "Purchasers".

This Offering Circular does not constitute a prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and, accordingly, no offer to the public may be made and no admission to trading may be applied for on any market in the European Economic Area (the "EEA") or the United Kingdom (the "UK") designated as a regulated market, in each case for the purposes of the Prospectus Regulation. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin") for its approval of this Offering Circular. Application has been made to Euronext Dublin for the Notes issued under the Programme to be admitted to the official list (the "Official List") and to trading on the Global Exchange Market of Euronext Dublin (the "GEM") for a period of 12 months from the date of these Offering Circular. The GEM is not a regulated market for the purposes of Directive 2014/65/EU (as amended) ("MiFID II"). References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the GEM. Notice of the aggregate nominal amount of interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to each Tranche (as defined below) of Notes will be set forth in a pricing supplement (the "Pricing Supplement").

The Notes will be subject to Swedish Statutory Loss Absorption Powers (as defined below), as described in Condition 23.

**Factors which may affect the Bank's ability to fulfil its obligation under Notes issued under the Programme and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are set out in "Risk Factors" herein.**

The Notes Preferred Notes to be issued under the Programme are expected to be rated AA- (long-term Senior Preferred Notes) and A-1+ (short-term Senior Preferred Notes) by S&P Global Ratings, acting through S&P Global Ratings Europe Limited (Niederlassung Deutschland) ("S&P"), Aa2 (long-term Senior Preferred Notes) and Prime-1 (short-term Senior Preferred Notes) by Moody's Investors Service Limited ("Moody's") and AA+ (Rating Watch Negative) (long-term Senior Preferred Notes) and F1+ (short-term Senior Preferred Notes) by Fitch Ratings Ltd ("Fitch"). The Issuer has been rated AA- (long-term) and A-1+ (short-term) by S&P, Aa2 (long-term) and Prime-1 (short-term) by Moody's and AA (long-term) and F1+ (short-term) by Fitch. Each of S&P, Moody's and Fitch is established in the EU or the UK and has been registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme and/or the Issuer. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Bank and the relevant Purchaser(s) in relation to each issue. The Bank may also issue unlisted Notes and/or Notes not admitted to trading on any market. The applicable Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be admitted to listing or trading on any non-EEA listing authority, stock exchange and/or quotation system, if applicable.

The Notes of each Tranche will be in bearer form and will be initially represented by a global Note which will (i) if the global Note is intended to be issued in new global note ("NGN") form, as stated in the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"); and (ii) if the global Note is not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "Common Depositary") for Euroclear and Clearstream, Luxembourg.

The Bank may agree with any Purchaser and the Trustee (as defined below) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

**The Additional Tier 1 Notes are not intended to be sold and should not be sold to retail clients (as defined in MiFID II) in the EEA or the UK. Prospective investors are referred to the section headed "Restrictions on marketing and sales to retail investors" on page 5 of this Offering Circular for further information.**

**Arranger  
BofA Securities  
Dealers**

**Barclays  
BofA Securities  
Commerzbank  
Credit Suisse  
Deutsche Bank  
Handelsbanken Capital Markets  
J.P. Morgan  
Morgan Stanley  
Nomura  
Société Générale Corporate & Investment Banking**

**BNP PARIBAS  
Citigroup  
Crédit Agricole CIB  
Danske Bank  
Goldman Sachs International  
HSBC  
Mizuho Securities  
NatWest Markets  
SMBC Nikko  
UBS Investment Bank**

The date of this Offering Circular is 17th June, 2020.

This Offering Circular constitutes a base listing particulars and has been approved by Euronext Dublin in respect of the admission of the Notes to the Official List and to trading on the GEM and for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer, the Group and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Notes.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference” on page 52). This Offering Circular shall be read and construed on the basis that such documents are so incorporated in, and form part of, this Offering Circular.

Neither the Dealers nor the Trustee have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Bank in connection with the Notes. Neither the Dealers nor the Trustee accept any liability in relation to the information contained in this Offering Circular or any other information provided by the Bank in connection with the Notes.

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

Neither this Offering Circular nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as recommendations by the Bank, any of the Dealers or the Trustee that any recipient of this Offering Circular, or any further information supplied in connection with the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Bank and of the Bank and its consolidated subsidiaries (the “Group”). Neither this Offering Circular nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Bank, any of the Dealers or the Trustee to any person to subscribe for or to purchase any of the Notes.

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or any Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Bank and its subsidiaries during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published annual report of the Bank and the annual accounts of the Bank and of the Group and, if published later, the most recently published interim financial statements of the Group when deciding whether or not to purchase any Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any U.S. state and 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 (see “Subscription and Sale” on page 162).

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of the Notes are subject to the above restrictions and may be restricted by law in certain other jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Offering Circular 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. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Notes in the United States, the EEA (including for this purpose the UK), Sweden and Japan (see “Subscription and Sale” on page 162).

In this Offering Circular, references to websites or uniform resource locators (“URLs”) are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Offering Circular.

In this Offering Circular, references to “SEK” are to Swedish Kronor, references to “U.S.\$” and “U.S. dollars” are to United States dollars, references to “cents” are to United States cents, references to “Yen” and “¥” are to Japanese Yen, references to “Sterling” are to pounds sterling, and references to “euro” are to the currency of the member states of the EU that adopt or have adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

In this Offering Circular, references to a numbered “Condition” shall be to such specified condition in the “Terms and Conditions of the Notes”.

The investment activities of certain investors are subject to 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 advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes may not be a suitable investment for all investors. It is advisable that each potential investor in the Notes determines the suitability of that investment in light of its own circumstances. In particular, it is advisable that each potential investor (a) has 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 Offering Circular or any applicable supplement; (b) has 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 such investment will have on its overall investment portfolio; (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency; (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of the relevant financial markets; and (e) is 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.

## **MIFID II PRODUCT GOVERNANCE / TARGET MARKET**

The applicable Pricing Supplement will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (as amended) (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither BofA Securities Europe SA (as arranger) nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **IMPORTANT – EEA AND UK RETAIL INVESTORS**

If the applicable Pricing Supplement includes a legend titled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or the UK. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA and the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

### **NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE , AS MODIFIED OR AMENDED FROM TIME TO TIME (THE “SFA”)**

Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **RESTRICTIONS ON MARKETING AND SALES TO RETAIL INVESTORS**

The Additional Tier 1 Notes discussed in this Offering Circular are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Additional Tier 1 Notes to retail investors.

In particular, in June 2015, the United Kingdom Financial Conduct Authority (the “FCA”) published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1st October, 2015 (the “PI Instrument”).

In addition, (i) on 1st January, 2018, the provisions of the PRIIPs Regulation became directly applicable in all EEA member states and the UK and (ii) MiFID II was required to be implemented in EEA member states and the UK by 3rd January, 2018. Together, the PI Instrument, the PRIIPs Regulation and MiFID II are referred to as the “Regulations”.

The Regulations set out various obligations in relation to (i) the manufacturing and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Additional Tier 1 Notes.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Additional Tier 1 Notes (or any beneficial interests therein), including the Regulations.

The Issuer and each of the Dealers are required to comply with some or all of the Regulations. In addition, by purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or any beneficial interests therein) from the Bank and/or the Dealers, each prospective investor in relation to the Additional Tier 1 Notes (or any beneficial interests therein) will be deemed to represent, warrant, agree with and undertake to the Bank and each of the Dealers that:

1. it is not a retail client (as defined in MiFID II);
2. whether or not it is subject to the Regulations, it will not:
  - (a) sell or offer the Additional Tier 1 Notes (or any beneficial interests therein) to retail clients (as defined in MiFID II) in the EEA or in the UK; or
  - (b) communicate (including the distribution of this Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the Additional Tier 1 Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (as defined in MiFID II) in the EEA or in the UK. In selling or offering the Additional Tier 1 Notes (or any beneficial interests therein) or making or approving communications relating to the Additional Tier 1 Notes (or any beneficial interests therein), it may not rely on the limited exemptions set out in the PI Instrument); and
3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Additional Tier 1 Notes (or any beneficial interests therein), including (without limitation) MiFID II and any other laws, regulations and regulatory guidance relating to determining the appropriateness

and/or suitability of an investment in the Additional Tier 1 Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes from the Bank and/or the Dealers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

### **STABILISATION**

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement 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, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any such stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

### **RESPONSIBILITY STATEMENT**

The Bank accepts responsibility for the information contained in this Offering Circular and the applicable Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

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## OVERVIEW OF THE PROGRAMME

This overview should be understood as an introduction to this Offering Circular and highlights information presented in greater detail elsewhere in this Offering Circular. This overview is not complete and does not contain all the information an investor should consider before investing in any Notes. Any investor should carefully read the entire Offering Circular (as supplemented from time to time), including any information which is incorporated herein by reference and the information in the applicable Pricing Supplement before investing, including “Risk Factors”, the audited consolidated financial statements of the Bank incorporated by reference in this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Each decision to invest in any Notes should be based on an assessment of the entire Offering Circular.

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

**Issuer:** Svenska Handelsbanken AB (publ) is a public limited liability banking company incorporated under the banking laws of Sweden and is registered with the Municipality of Stockholm under the registration number 502007-7862. The Group is a leading Swedish banking group that provides various investment and other financial services, in addition to its wide range of traditional banking services, both domestically and internationally, for private and corporate customers. These services include financing such as mortgages, bilateral lending to corporates and financing via capital markets, services within the savings area such as asset management, pension and insurance, private banking and different protection solutions as well as various payment solutions. The Group considers the Nordic Countries, Great Britain and the Netherlands as its home markets and any operations conducted in these areas are considered local operations.

**Issuer Legal Entity Identifier (LEI):** NHBDILHZTYCNBV5UYZ31

**Risk Factors:** There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “Risk Factors” below and include exposure to credit risk, operational risk, liquidity risk, market risk, (e.g. interest rate risk, equity price risk, exchange rate risk and commodity price risk), insurance risk, legal and litigation risk and compensation risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, including risks relating to the structure of a particular issue of Notes.

**Description:** Euro Medium Term Note Programme

**Arranger:** BofA Securities Europe SA

**Dealers:** Barclays Bank Ireland PLC

Barclays Bank PLC



BNP Paribas

Citigroup Global Markets Europe AG

Citigroup Global Markets Limited

Commerzbank Aktiengesellschaft

Crédit Agricole Corporate and Investment Bank

Credit Suisse Securities (Europe) Limited

Danske Bank A/S

Deutsche Bank Aktiengesellschaft

Goldman Sachs International

HSBC Bank plc

J.P. Morgan Securities plc

Mizuho International plc

Mizuho Securities Europe GmbH

Morgan Stanley & Co. International plc

NatWest Markets N.V.

NatWest Markets Plc

Nomura International plc

SMBC Nikko Capital Markets Europe GmbH

SMBC Nikko Capital Markets Limited

Société Générale

Svenska Handelsbanken AB (publ)

UBS Europe SE

**Distribution:** Notes may be distributed by way of private or public placement and on a syndicated or non-syndicated basis.

**Issuing and Principal Paying Agent:** Deutsche Bank AG, London Branch

**Trustee:** Deutsche Trustee Company Limited

**Amount:** Up to U.S.\$50,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Bank has the option to increase the amount of the Programme in accordance with the terms of the

Programme Agreement.

**Currencies:** Any currency agreed between the Bank and the relevant Purchaser, subject to any applicable legal or regulatory restrictions.

**Maturities:** Such maturities as may be agreed between the Bank and the relevant Purchaser(s), subject to such 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 Bank or the relevant Specified Currency. Additional Tier 1 Notes will have no scheduled maturity.

**Issue Price:** Notes will be issued on a fully paid basis and at an issue price which is par or at a discount to, or premium over, par.

**Form:** The Notes will be issued in bearer form as described in “Form of the Notes”.

**Fixed Rate Notes:** Fixed Rate Notes will bear interest at a fixed rate of interest and will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Bank and the relevant Purchaser(s).

**Reset Notes:** Reset Notes will have reset provisions pursuant to which the relevant Notes will, in respect of an initial period, bear interest at an initial fixed rate of interest specified in the applicable Pricing Supplement. Thereafter, the fixed rate of interest will be reset on one or more date(s) by reference to a mid-market swap rate or a rate based on the yield for an identified government bond or certain government bonds (in each case relating to the relevant Specified Currency), and for a period equal to the Reset Interest Period, as adjusted for any Relevant Reset Margin, in each case as may be specified in the applicable Pricing Supplement.

Interest on Reset Notes will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Bank and the relevant Purchaser(s).

**Floating Rate Notes:** Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions; or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Bank and the relevant Purchaser(s) (as indicated in the applicable Pricing Supplement).

The Margin applicable to such floating rate will be agreed between the Bank and the relevant Purchaser(s) for each Series of Floating Rate Notes (as indicated in the applicable Pricing Supplement).

	Floating Rate Notes may have a maximum and/or a minimum interest rate.
	Interest on Floating Rate Notes will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Bank and the relevant Purchaser(s).
<b>Interest periods (interest-bearing Notes only):</b>	Such period as the Bank and the relevant Purchaser(s) may agree (as indicated in the applicable Pricing Supplement).
<b>Alternative Terms and Conditions:</b>	The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes and this general description of the Programme, in which event the relevant provisions will be included in the applicable Pricing Supplement.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
<b>Redemption:</b>	In relation to Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes, the applicable Pricing Supplement will indicate the scheduled maturity date. Additional Tier 1 Notes will have no scheduled maturity date. The applicable Pricing Supplement will indicate whether the relevant Notes cannot be redeemed prior to their scheduled maturity date (if any) (other than for taxation reasons or following an Event of Default or following any of the relevant events described below in relation to the redemption of the relevant Notes) or whether the relevant Notes may be redeemed early, if applicable, at the option of the Bank upon giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Noteholders on a date or dates specified and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.
<b>Denomination:</b>	Such denominations as may be agreed between the Bank and the relevant Purchaser(s) and indicated in the applicable Pricing Supplement and, in each case, as may be allowed or required from time to time by the relevant regulatory body or any laws or regulations applicable to the Bank or the relevant Specified Currency.
<b>Taxation:</b>	All payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in Sweden, unless such withholding or deduction is required by law, subject as provided in Condition 13.
<b>Status of Senior Preferred Notes:</b>	Senior Preferred Notes will constitute unconditional and unsecured obligations of the Bank and will rank (i) <i>pari passu</i> without any preference among Notes of the same Series, (ii) at least <i>pari passu</i> in right of payment with all other present or future outstanding unsubordinated obligations (other than indebtedness entitled to preference under Swedish law) of the Bank, and (iii) senior in right of payment to holders of all present or future outstanding Senior Non-Preferred Liabilities and to all present and future outstanding subordinated obligations of the Bank.

**Status of Senior Non-Preferred Notes:**

Senior Non-Preferred Notes will constitute unconditional and unsecured obligations of the Bank and will rank (i) pari passu without any preference among Notes of the same Series, (ii) pari passu in right of payment with holders of all other present or future outstanding Senior Non-Preferred Liabilities of the Bank, (iii) senior in right of payment to holders of all present or future outstanding Junior Securities, and (iv) junior in right of payment to all present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank and (c) other unsubordinated creditors of the Bank that are not creditors in respect of Senior Non-Preferred Liabilities.

**Status of Subordinated Notes:**

Subordinated Notes will constitute unsecured, subordinated obligations of the Bank. In the event of the voluntary or involuntary liquidation (Sw. likvidation) or bankruptcy (Sw. konkurs) of the Bank, the rights of the holders of the Subordinated Notes to payments of the then Outstanding Principal Amount of the Subordinated Notes and any other amounts payable in respect of the Subordinated Notes will rank (i) pari passu without any preference among Notes of the same Series, (ii) at least pari passu in right of payment with payments to holders of present or future outstanding Parity Securities, (iii) senior in right of payment to holders of all present or future outstanding Junior Securities, and (iv) junior in right of payment to all present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank, (c) other unsubordinated creditors of the Bank and creditors of the Bank in respect of Senior Non-Preferred Liabilities and (d) subordinated creditors of the Bank whose right of payment ranks, or is expressed to rank, senior to the right of payment of the holders of the Notes of such Series of Subordinated Notes.

**Status of Additional Tier 1 Notes:**

Additional Tier 1 Notes will constitute unsecured, subordinated obligations of the Bank. In the event of the voluntary or involuntary liquidation (Sw. likvidation) or bankruptcy (Sw. konkurs) of the Bank, the rights of the holders of the Additional Tier 1 Notes to payments of the then Outstanding Principal Amount of the Additional Tier 1 Notes (which shall be reduced by any relevant Write Down in respect of which a Trigger Event has occurred but in respect of which the relevant Write Down Effective Date has not yet occurred) and any other amounts payable in respect of the Additional Tier 1 Notes will rank (i) pari passu without any preference among Notes of the same Series, (ii) at least pari passu in right of payment with payments to holders of all present or future outstanding Parity Securities, (iii) senior in right of payment to holders of all present or future outstanding Junior Securities, and (iv) junior in right of payment to all present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank, (c) other unsubordinated creditors of the Bank and creditors of the Bank in respect of Senior Non-Preferred Liabilities and (d) creditors of the Bank in respect of Subordinated Indebtedness (other than Parity Securities and Junior Securities).

**Cancellation of Interest (Additional Tier 1 Notes):**

Interest on each Series of Additional Tier 1 Notes will be due and payable only at the sole and absolute discretion of the Bank and,

accordingly, the Bank shall have sole and absolute discretion at all times to cancel (in whole or in part) any interest payment that would otherwise be due and payable on any Interest Payment Date. If the Bank does not make an interest payment on the relevant Interest Payment Date (or if the Bank elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Bank's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid) and, accordingly, such interest payment (or the portion thereof not paid) shall not be due and payable.

If the Bank provides notice of its intention to cancel a portion, but not all, of an interest payment and the Bank subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date, such non-payment shall evidence the Bank's exercise of its discretion to cancel such remaining portion of the interest payment and, accordingly, such remaining portion of the interest payment shall also not be due and payable.

Interest will only be due and payable on an Interest Payment Date to the extent the obligation to pay it is not cancelled in accordance with the provisions set out above. Any interest payment obligation so cancelled (in whole or in part) shall not be due and shall not accrue or be payable at any time thereafter nor shall any cancellation thereof constitute an Event of Default and, accordingly, holders of a Series of Additional Tier 1 Notes shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

**Restrictions on Payments  
of Interest (Additional Tier  
1 Notes):**

Payments of interest in respect of each Series of Additional Tier 1 Notes in any financial year of the Bank shall be made only out of Distributable Items of the Bank. The Bank shall not pay interest on the Additional Tier 1 Notes on any Interest Payment Date (and the obligation to make such interest payment shall therefore be deemed to have been cancelled and thus such interest payment shall not be due and payable on such Interest Payment Date) to the extent that the Bank has an amount of Distributable Items on such Interest Payment Date that is insufficient to pay the sum of (A) all interest payments or distributions on all other own funds instruments of the Bank (determined by the Bank for the purposes of the Relevant Rules) paid and/or required and/or scheduled to be paid out of or limited to Distributable Items in the then current financial year and (B) all interest scheduled for payment on the Additional Tier 1 Notes in the then current financial year, but excluding from (A) and (B) above any such payments or distributions (or portion thereof) which have already been deducted in calculating the Distributable Items of the Bank.

The Bank may, in its sole and absolute discretion, elect to make a partial interest payment on the Additional Tier 1 Notes on any Interest Payment Date, but only to the extent that such partial interest payment may be made without breaching the restriction set out in the immediately preceding paragraph.

In circumstances where Article 141 of the CRD Directive (or, as the

case may be, any provision of Swedish law transposing or implementing such Article) applies, no payments will be made on the Additional Tier Notes (whether by way of principal, interest, Reinstatement Amount or otherwise) if and to the extent that such payment would cause the Maximum Distributable Amount (if any), determined in accordance with the Relevant Rules to be exceeded and, accordingly, in the case of interest, the obligation to make the relevant interest payment or any part thereof shall be deemed to be cancelled.

**Redemption upon MREL/TLAC Disqualification Event (Senior Preferred Notes and Senior Non-Preferred Notes):**

If MREL/TLAC Disqualification Event Redemption Option is specified as being applicable in the applicable Pricing Supplement, upon the occurrence of a MREL/TLAC Disqualification Event in respect of a Series of Senior Preferred Notes or Senior Non-Preferred Notes, but subject to Condition 8(l), the Bank may, at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 19, to the holders of the Notes of such Series, redeem all (but not some only) of the Notes of such Series. See Condition 8(g).

**Redemption upon Tax Event (Senior Preferred Notes and Senior Non-Preferred Notes):**

Upon the occurrence of a Tax Event in respect of a Series of Senior Preferred Notes or Senior Non-Preferred Notes, but subject to Condition 8(l), the Bank may, at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 19, to the holders of the Notes of such Series, redeem all (but not some only) of the Notes of such Series. See Condition 8(h).

**Redemption upon Capital Event or Tax Event (Additional Tier 1 Notes and Subordinated Notes):**

Upon the occurrence of a Capital Event or a Tax Event in respect of a Series of Subordinated Notes or Additional Tier 1 Notes, but subject to the prior consent of the Relevant Regulator as provided in Condition 8(l), the Bank may, at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 19, to the holders of the Notes of such Series, redeem all (but not some only) of the Notes of such Series. See Condition 8(i).

**Variation or Substitution Instead of Redemption (Senior Preferred Notes and Senior Non-Preferred Notes):**

If MREL/TLAC Disqualification Event Substitution/Variation Option is specified as being applicable in the applicable Pricing Supplement, if at any time a MREL/TLAC Disqualification Event occurs in respect of a Series of Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be, or in order to ensure the effectiveness and enforceability of Condition 23 in respect of such a Series, the Bank may, subject to Condition 8(l), instead of giving notice to redeem as referred to above, and subject to the Terms and Conditions of the Notes, without any requirement for the consent or approval of the holders of the Notes of such Series or (in either case) the relevant Couponholders at any time either substitute all (but not some only) of the Notes of such Series for, or vary the terms of the Notes of such Series (including changing the governing law of Condition 23 from English law to Swedish law) provided that they become or, as appropriate, remain, in the case of Senior Preferred Notes, Qualifying Senior Preferred Securities, or, in the case of Senior Non-Preferred

Notes, Qualifying Senior Non-Preferred Securities.

**Variation or Substitution  
Instead of Redemption  
(Subordinated Notes and  
Additional Tier 1 Notes):**

If at any time a Capital Event or Tax Event occurs in respect of a Series of Subordinated Notes or Additional Tier 1 Notes, as the case may be, or in order to ensure the effectiveness and enforceability of Condition 23 in respect of such a Series, the Bank may, subject to the prior consent of the Relevant Regulator as provided in Condition 8(l), instead of giving notice to redeem as referred to above, and subject to the Terms and Conditions of the Notes, without any requirement for the consent or approval of the holders of the Notes of such Series or (in either case) the relevant Couponholders at any time either substitute all (but not some only) of the Notes of such Series for, or vary the terms of the Notes of such Series (including changing the governing law of Condition 23 from English law to Swedish law) provided that they become or, as appropriate, remain, in the case of Subordinated Notes, Qualifying Subordinated Securities, or, in the case of Additional Tier 1 Notes, Qualifying Additional Tier 1 Securities.

**Purchase:**

Subject to Condition 8(l) and unless otherwise prohibited by the Relevant Rules, the Bank or any of its Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons appertaining thereto are surrendered therewith) in the open market or otherwise at any price.

**Conditions to Redemption  
and Purchase:**

In the case of a Series of Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be, any early redemption, variation or substitution or purchase pursuant to (i) in the case of Senior Preferred Notes, Conditions 8(b), (c), (d), (g), (h) and (j); and (ii) in the case of Senior Non-Preferred Notes, Conditions 8(b), (c), (d), (g), (h) and (j), as applicable, in each case, is subject to the prior notification to the Relevant Regulator and/or (if applicable, as determined by the Bank) the Relevant Resolution Authority, and the Relevant Regulator and/or the Relevant Resolution Authority have/has, as applicable, if required by applicable law at the time of such early redemption, variation or substitution or purchase, provided prior consent to, such early redemption, variation or substitution or purchase as provided in Condition 8(l).

In the case of a Series of Subordinated Notes, any early redemption, variation or substitution or purchase pursuant to Conditions 8(b), (c), (d), (i) and (k), as applicable, is subject to the prior consent of the Relevant Regulator as provided in Condition 8(l) if required by applicable law at the time of such early redemption, variation or substitution or purchase.

In the case of a Series of Additional Tier 1 Notes, any redemption, variation or substitution or purchase pursuant to Conditions 8(b), (c), (d), (i) and (k), as applicable, is subject to the prior consent of the Relevant Regulator as provided in Condition 8(l) if required by applicable law at the time of such early redemption, variation or substitution or purchase.

**No Interest Cancellation  
following a Capital Event**

In the case of a Series of Additional Tier 1 Notes, if (a) a Capital Event has occurred and (b) No Interest Cancellation Discretion

**(Additional Tier 1 Notes):** Following a Capital Event is specified as applicable in the applicable Pricing Supplement, then, beginning on the relevant Capital Event Date, the Bank shall cease to have discretion to cancel its obligation to make interest payments and shall pay amounts of interest accruing on the Additional Tier 1 Notes of such Series from and including such Capital Event Date in arrear on each subsequent Interest Payment Date.

**Write Down (Additional Tier 1 Notes):** If, in respect of a Series of Additional Tier 1 Notes, the Bank determines that a Trigger Event has occurred as at any Measurement Date, then the Bank shall Write Down the Outstanding Principal Amount of each Additional Tier 1 Note of such Series (in whole or in part, as applicable) on the relevant Write Down Effective Date. Any Write Down Amount shall only be reinstated as set out under the Terms and Conditions of the Notes. The relevant Write Down shall occur without delay (and in any event within one month or such shorter period as the Relevant Regulator may require) following the occurrence of a Trigger Event.

The Bank may determine that a Trigger Event has occurred on more than one occasion and, accordingly, the Outstanding Principal Amount of each Additional Tier 1 Note may be written down on more than one occasion provided that the Outstanding Principal Amount of an Additional Tier 1 Note may never be reduced to below the Loss Absorption Minimum Amount.

The Write Down shall not constitute an Event of Default or a breach of the Bank's obligations or duties or a failure to perform by the Bank in any manner whatsoever and shall not, of itself, entitle holders of Additional Tier 1 Notes to make any petition for the insolvency or dissolution of the Bank or otherwise.

**Reinstatement (Additional Tier 1 Notes):** If the Bank records a positive Net Profit or, to the extent permitted by the Relevant Rules, the Handelsbanken Group records a positive Net Profit at any time while the Outstanding Principal Amount of a Series of Additional Tier 1 Notes is less than their Original Principal Amount, the Bank may, at its sole and absolute discretion and subject to the Maximum Distributable Amount (when the amount of the Reinstatement (as defined below) is aggregated together with other distributions of the Bank or the Handelsbanken Group, as applicable, of the kind referred to in Article 141(2) of the CRD Directive (or, if different, any provision of the Relevant Rules implementing Article 141(2) of the CRD Directive)) not being exceeded thereby, reinstate all or any part of any Write Down Amount, such that the Outstanding Principal Amount of each Additional Tier 1 Note of such Series shall be increased by such amount in accordance with the Reinstatement Procedure (a "Reinstatement") up to a maximum of the Original Principal Amount, on a pro rata basis with the other Additional Tier 1 Notes of such Series and with any Written Down Loss Absorbing Instruments of the Bank and, in the case of any increase in the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series by reference to the Net Profit of the Handelsbanken Group, any Written Down Loss Absorbing Instruments of the Handelsbanken Group, that, in each case, have terms permitting a principal write up or reinstatement to occur on a basis similar to that set out in Condition



9(d) in the circumstances existing on the date of the relevant Reinstatement, provided that the sum of:

- (i) the aggregate amount of the relevant Reinstatement on all the Additional Tier 1 Notes of such Series;
- (ii) the aggregate amount of any payments of interest in respect of the Additional Tier 1 Notes of such Series that were paid on the basis of an Outstanding Principal Amount (of the Additional Tier 1 Notes of such Series) lower than the Original Principal Amount (of the Additional Tier 1 Notes of such Series) at any time after the end of the previous financial year;
- (iii) the aggregate amount of the increase in principal amount of each such Written Down Loss Absorbing Instrument at the time of the relevant Reinstatement; and
- (iv) the aggregate amount of any interest payments or distributions in respect of each such Written Down Loss Absorbing Instrument that were calculated or paid on the basis of an outstanding principal amount that is lower than the principal amount it was issued with at any time after the end of the previous financial year,

does not exceed the Maximum Reinstatement Amount.

A Reinstatement may occur on more than one occasion (and any exercise by the Bank of its discretion to effect a Reinstatement shall not preclude the Bank from effecting or not effecting any Reinstatement on any other occasion) provided that the Outstanding Principal Amount of an Additional Tier 1 Note may never exceed its Original Principal Amount.

<b>Negative Pledge:</b>	None.
<b>Cross Default:</b>	None.
<b>Events of Default:</b>	Payment of principal and interest on the Notes will be subject to acceleration only in certain limited circumstances, as described in Condition 14(a) (in respect of Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes) and Condition 14(b) (in respect of Additional Tier 1 Notes).
<b>Listing and admission to trading:</b>	Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the Official List and trading on the Global Exchange Market. Notes may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Bank and the relevant Purchaser(s) in relation to each issue. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Pricing Supplement will state whether or not the Notes are to be listed and/or admitted to trading, and if so, on which stock exchange(s) or markets.

<b>Governing Law:</b>	The Notes and any non-contractual obligations arising out of or in connection therewith, shall be governed by, and construed in accordance with, English law, except that the provisions contained in Conditions 3, 4, 5, 6 and 9, will be governed by, and shall be construed in accordance with, Swedish law.
<b>Swedish Statutory Loss Absorption powers:</b>	The Notes will be subject to Swedish Statutory Loss Absorption Powers, as described in Condition 23.
<b>Selling Restrictions:</b>	Those prevailing in the United States, the EEA (including, for these purposes, the UK), Sweden and Japan, and such other restrictions as may be required in connection with the offering and sale of a particular issue of Notes. See “Subscription and Sale” below.

## RISK FACTORS

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

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuer 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 Offering Circular and reach their own views prior to making any investment decision.*

*Words and expressions defined elsewhere in this Offering Circular shall have the same meanings in this section.*

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

The Bank is exposed to a number of risks, and manages them at different organisational levels as further set out in "Svenska Handelsbanken AB (publ) - Risk Management". The principal categories of risk are as follows:

- **Credit risk:** Credit risk is the risk of the Bank facing economic loss because the Bank's counterparties cannot fulfil their contractual obligations. The Issuer is exposed to credit risk as a result of lending, issuing guarantees and carrying out transactions with counterparties on the foreign exchange and securities markets.
- **Operational risk:** Operational risk refers to the risk of loss due to inadequate or failed internal processes, human error, erroneous systems or external events. The definition includes legal risk.
- **Liquidity risk:** Liquidity risk is the risk that the Group will not be able to meet its payment obligations when they fall due without being affected by unacceptable costs or losses.
- **Market risk:** Market risk is the risk of a loss in connection with changes in prices or volatilities in the financial markets. The Group divides market risk into interest rate risk, exchange rate risk, equity price risk and commodity price risk.
- **Interest rate risk:** Interest rate risk primarily arises in Handelsbanken Capital Markets, Group Treasury and in the Group's lending operations. In the latter, the interest rate risk arises as a result of lending to customers and other banks, at rates, in amounts and for periods that differ from those of the applicable sources of funding for these loans.
- **Equity price risk:** Equity price risk is the risk of loss due to changes in the market value of equity-related positions as a result of fluctuations in market prices and the risk of loss due to the volatility of market prices.

- **Exchange rate risk:** The Group has home markets outside Sweden and also operations in a number of other countries. Indirect currency exposure of a structural nature therefore arises, because the Group's accounts are expressed in SEK.
- **Commodity price risk:** Exposure to commodity-related instruments arises only at Handelsbanken Capital Markets and as a result of customer-based trading in the international commodity markets.
- **Insurance risk:** Insurance risk is the risk related to the outcome of an insurance policy that depends on the insured party's longevity or health.
- **Risks in the remuneration system:** Remuneration risk is the risk of loss or other damage arising from the remuneration system.
- **Compliance risk:** Compliance risk is the risk that the Group does not comply with laws, regulations and internal rules, or accepted business practices or standards, which could lead to increased operational and legal risks, reputation risk and the risk of intervention by the supervisory authorities.

Failure to manage these risks could have a material adverse effect on the business, results of operations or financial condition of the Group or the Bank's ability to fulfil its obligations under the Notes.

***Risks associated with the current conditions in the global financial markets and by global economic conditions***

Each of the Group's operating segments is affected by market conditions, which can cause results to fluctuate from year to year as well as on a long term basis. These conditions include economic cycles such as financial market cycles, including volatile movements in market prices and banking industry cycles and disruptions in the regional and global economies or the free flow of goods and services, such as those caused by the outbreak of the novel strain of the coronavirus ("COVID-19") discussed under "The COVID-19 outbreak could have a material adverse effect on the Group's business, results of operations and financial position" below. Fluctuations in interest rates and exchange rates, monetary and fiscal policy, consumer and business spending, demographics and competitive and other factors also influence the Group's performance.

The global financial crisis experienced from August 2007 through 2010 created unprecedented credit and liquidity conditions and severe dislocation of financial markets around the world. Although the level of market disruption and volatility caused by the global financial crisis has abated, there can be no assurance that these conditions will not recur or that similar events will not occur having similar effects on the financial markets. During any financial crisis or economic downturn, whether global or specific to the jurisdictions in which the Group operates, the Group may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values, additional credit impairment losses and lower profitability and revenues. Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition and results of operations.

Market conditions have also been, and are likely to continue to be, affected by concerns over increased geopolitical tensions and the effects of the recent outbreak of COVID-19. The global economy has been and is expected to continue to be adversely affected to a significant extent by COVID-19 and related counter-measures as discussed under "The COVID-19 outbreak could have a material adverse effect on the Group's business, results of operations and financial position" below.

On 23rd June, 2016, the UK held a referendum to determine whether to leave the EU or remain as a member state, in which a majority voted in favour of leaving. Following this, on 29th March, 2017, the UK invoked Article 50 of the Treaty on the European Union and officially notified the EU of its decision to withdraw. This commenced the formal period of negotiation regarding the terms of the withdrawal and the framework of the future relationship between the UK and the EU. In 2018, with the terms of the UK's withdrawal unclear, the Group converted its UK branch structure to a subsidiary structure, which now operates under a license from the Prudential Regulation Authority. The Group had previously relied upon the EU passporting framework to operate in the UK under its Swedish banking license.

On 31st January, 2020, the UK formally withdrew from the EU. The UK is currently in a transition period to negotiate its future relationship with the EU, this will last until 31st December, 2020 unless otherwise extended. During this transition period, EU law will continue to be applicable in the UK, and the UK will continue to have access to the EU single market. Whilst the terms of the withdrawal agreement between the UK and the EU allow for the possibility of extending this transition period for a further two years after 31st January, 2020, the UK has passed legislation which as it stands prohibits such an extension. Following the end of the transition period, and subject to any agreement on the future EU-UK relationship, EU law will cease to have effect within the UK. It remains uncertain as to what extent the UK and EU will be able to finalise a future trading relationship by 31st December, 2020. Negotiations around the UK's future relationship with the EU will continue throughout the transition period and as such there will continue to be uncertainty around the future relationship between the United Kingdom and the EU. Until the negotiation process and transition period is completed, it is difficult to anticipate the potential impact on the Group's business, financial condition and results of operations.

The precise nature of all the risks and uncertainties the Group faces as a result of these global market conditions cannot be predicted and many of these risks are outside the control of the Group. However, deteriorating global economic conditions or market disruption and volatility may materially adversely affect the Group's business, results of operations and financial condition and the Bank's ability to fulfil its obligations under the Notes.

***The COVID-19 outbreak could have a material adverse effect on the Group's business, results of operations and financial position***

COVID-19, identified in China in late 2019, has spread throughout the world, impacting Asia, Europe, the Middle East and North America. On 11th March, 2020, the World Health Organization confirmed that its spread and severity had escalated to the point of pandemic. The outbreak of COVID-19 has resulted in authorities, including those in the Nordic countries, the UK and the Netherlands, implementing numerous measures to try to contain the virus, such as travel bans and restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces, and has led to materially increased volatility and declines in financial markets and significant worsening of the macroeconomic outlook. The duration of such restrictions is highly uncertain, but could be prolonged, and even stricter measures may be put in place. Such restrictions are already in place in many of the Group's markets.

The spread of COVID-19 has led the Group to modify its operational practices, and it may take further actions required by authorities or that it determines are in the best interests of its employees, customers and other stakeholders. There is no certainty that such measures will be sufficient to mitigate the risks posed by COVID-19, and the implementation of such measures (or their insufficiency) could harm the Group's ability to perform some of its critical functions and serve its customers. The pandemic and related counter-measures have affected and continue to affect some of the Group's customers adversely, which in some cases may be material, which could in turn have an adverse impact on the Group (for example, through deteriorations in credit quality and higher impairments). In the jurisdictions in which the Group operates, national governments have

implemented economic stimulus measures to provide financial support to parts of the economy most impacted by the COVID-19 outbreak. The details of these measures, the impact on the Group's customers and, therefore, the impact on the Group remain uncertain at this stage.

The measures taken by the Swedish Government in response to the COVID-19 outbreak include a government loan guarantee scheme for small and medium-sized companies. Under the scheme, the government will guarantee 70 per cent. of any new loans that banks provide to companies experiencing financial difficulties due to the COVID-19 outbreak. The guarantee will be issued to the banks, which in turn will provide guaranteed loans to those small and medium-sized companies. Further measures have been implemented in Sweden due to the pandemic, including, for example: (i) a decision by the Swedish central bank whereby it will provide loans in an aggregate amount of up to SEK 500 billion via the banks to ensure companies will have access to credit; (ii) a decision by the Swedish Financial Supervisory Authority (the "SFSA") to allow banks and other providers of residential mortgages to grant a temporary moratorium on amortisation of mortgage loans until June 2021; and (iii) a further decision by the SFSA whereby it has lowered the countercyclical capital buffer requirement for banks from 2.5 per cent. to 0 per cent. until at least the first quarter of 2022.

The full economic impact of COVID-19 is outside of the Group's control and will depend on the spread of the virus and the response of the local authorities and the global community. Furthermore, the global financial markets are impacted by very high volatility, which may have a negative impact on the Group's trading income for the full year ending 31st December, 2020 should the volatility continue throughout the year. The ability of the Group's customers to serve their contractual obligations, including to the Group, may also be materially adversely affected. The degree to which COVID-19 impacts the Group's results of operations, liquidity, access to funding and financial position will depend on future developments, which, as at the date of this Offering Circular, are highly uncertain and cannot be predicted. These developments may include, but are not limited to, the duration and spread of COVID-19, its severity, actions taken to contain the virus or treat its impact, the extent and effectiveness of economic stimulus taken to contain the virus or treat its impact and how quickly and to what extent normal economic and business activity can resume.

The factors described above could, together or individually, have a material adverse effect on the business, results of operations, financial position and liquidity of the Group.

***The Group may be adversely affected by significant adverse regulatory developments***

The Group's business is subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and/or their respective interpretations in Sweden, the UK and the other countries in which the Group does business. Laws and regulations and the manner in which laws and regulations are enforced or interpreted, both of which are unpredictable and beyond the control of the Group, could have a material adverse effect on the business, results of operations or financial condition of the Group or the Bank's ability to fulfil its obligations under the Notes.

As a financial organisation consisting of various financial institutions, most operations in the Group are contingent upon licenses issued by financial authorities in the countries in which the Group operates. Violations of rules and regulations, whether intentional or unintentional, may lead to the withdrawal of some of the Group's licenses. Any breach of these or other regulations may adversely affect the Group's reputation or financial condition.

The Bank is subject to supervision by the SFSA and Swedish regulations regarding, among other things, capital adequacy and liquidity rules. Many of the Group's operations are subject to the supervision of local supervisory authorities. The Group is also subject to EU regulations with direct applicability and EU directives which are implemented through local laws. The Group is unable to predict what regulatory changes may be imposed in the future as a result of regulatory initiatives in

the EU, the UK or by the SFSA. If the Group is required to make additional provisions or increase its reserves, as a result of potential regulatory changes, this could adversely affect the results of operations of the Group. In addition, failures on any part of the Group to comply with regulatory requirements could result in significant penalties and could have a material adverse effect on the business, results of operations or financial condition of the Group or the Bank's ability to fulfill its obligations under the Notes.

The failure of the Group to effectively manage regulatory risks could have a material adverse effect on the business, results of operations or financial condition of the Group or the Bank's ability to fulfil its obligations under the Notes.

***The Bank is exposed to risks related to money laundering activities and compliance with anti-money laundering and anti-terrorism financing rules involves significant cost and effort***

The Bank is subject to rules and regulations regarding anti-money laundering, bribery and anti-terrorist financing. In general, the risk that banks will be subjected to or used for money laundering has increased worldwide in recent years. Compliance with anti-money laundering and anti-terrorist financing rules entails significant cost and effort. Non-compliance with these rules may have serious consequences, including adverse legal and reputational consequences for the Bank and the Group, including in their relationships with clients, partners and other third parties. Although the Bank believes that its current anti-money laundering and anti-terrorism financing policies and procedures and conduct rules (including anti-bribery) are generally adequate to ensure compliance with applicable legislation, the Bank cannot guarantee that it has in the past or will comply, at all times, with all applicable rules or that its policies and regulations for preventing money laundering and terrorism financing and bribery, as extended to the whole Group, are applied by its employees under all circumstances.

***The Bank and its customers are exposed to risks and potential loss associated with cyber-crime and fraud***

As with other financial institutions, reflecting the increased use of technology in financial services, the Bank and its customers are at risk of actual or attempted cyber-attacks from parties with criminal or malicious intent, including attacks designed to overload the Bank's systems. These risks are accentuated as the Bank increasingly digitalises its products, services, key functions and distribution channels and as cyber-attacks become more sophisticated and prevalent. The Bank is subject to the risk that any cyber-attack may result in temporary loss of operational availability of the Bank's systems to its employees and/or customers which could have a material adverse effect on the Bank's business, financial condition, operating results and prospects.

There is a risk that the Bank may not continue to invest sufficiently in its information security controls in response to emerging threats, such as cyber-crime and fraud, and to seek to ensure that controls for known threats remain robust. Furthermore, any breach in security of the Bank's systems, for example from increasingly sophisticated attacks by cyber-crime groups or fraudulent activity in connection with customer accounts, could disrupt its business, result in the disclosure of confidential information, create significant financial and/or legal exposure and damage the Bank's reputation and/or brand. Additionally, the Bank and its customers are exposed to increased levels of card, account, identity, internal and other frauds, some of which are more sophisticated, organised and technology led.

Any of these activities may be difficult to prevent or detect, and the Bank's internal policies to mitigate these risks may be inadequate or ineffective. The Bank may not be able to recover the losses caused by these activities or events, and it could suffer reputational harm as a result of them, either of which could have a material adverse effect on its business, financial condition, operating results or prospects.

***Catastrophic events, terrorist attacks, acts of war or hostilities, other geopolitical developments and natural disasters could have a negative impact on the business and results of the Group***

Catastrophic events, terrorist attacks, acts of war or hostilities, outbreaks of infectious diseases, other geopolitical developments and natural disasters and responses to those events or acts, may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which the Group operates or globally and, more specifically, could interrupt the Group's business and result in substantial losses. Such events or acts and losses resulting therefrom are difficult to predict and may relate to property, financial assets, trading positions or key employees. The inability of the Group to effectively manage these risks could have a material adverse effect on the business, results of operations or financial condition of the Group or the Bank's ability to fulfill its obligations under the Notes.

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

***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 certain of those features:

***Notes subject to optional redemption by the Issuer***

An optional redemption feature is likely to limit the market price at which the Notes trade. During any period when the Issuer may elect to redeem Notes, or there is the perception that the Issuer is able to redeem the Notes, the market price of such Notes generally will not exceed the price at which they can be redeemed (which, following a Write Down in the case of a Series of Additional Tier 1 Notes only, may be less than the Original Principal Amount of such Additional Tier 1 Notes). This also may be true prior to any redemption event, in anticipation of such an event occurring.

In particular, each Series of Notes may be redeemed at the option of the Bank (i) in whole or in part on any Optional Redemption Date specified in the applicable Pricing Supplement or (ii) in whole, but not in part, for certain withholding tax reasons as provided in Condition 8(b) or (iii) in the case of Additional Tier 1 Notes and Subordinated Notes, in whole but not in part, upon the occurrence of a Tax Event or a Capital Event, (iv) in the case of Senior Preferred Notes and Senior Non-Preferred Notes, in whole but not in part, upon the occurrence of a Tax Event, or (v) in the case of Senior Preferred Notes and Senior Non-Preferred Notes and if MREL/TLAC Disqualification Event Redemption Option is specified as being applicable in the applicable Pricing Supplement, in whole, but not in part, upon the occurrence of a MREL/TLAC Disqualification Event, in each case only with the prior consent of the Relevant Regulator in accordance with Condition 8(l) if required by applicable law at the time of such early redemption.

Under Article 78 of Regulation (EU) No. 575/2013 (the "CRR"), as amended by Regulation (EU) 2019/876 (the "CRR II"), the competent authority (the Relevant Regulator in the case of the Bank) will give its consent to a redemption or repurchase of such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be, provided that either of the following conditions is met:

- (a) on or before such redemption or repurchase of such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be, the Bank replaces the relevant Additional Tier 1 Notes or Subordinated Notes, as the case may be, with capital instruments of an equal or higher quality on terms that are sustainable for its income capacity; or



- (b) the Bank has demonstrated to the satisfaction of the Relevant Regulator that its Tier 1 Capital and Tier 2 Capital (for the purposes of and within the meaning of the Relevant Rules) and eligible liabilities would, following such redemption or repurchase, exceed the requirements of the CRR, as amended by the CRR II and Directive 2013/36/EU (the “CRD Directive”), and Directive 2014/59/EU, as amended or replaced from time to time (the “BRRD”), by a margin that the Relevant Regulator considers necessary.

In addition, the CRR II provides that the Relevant Regulator may only permit the Bank to redeem a Series of Additional Tier 1 Notes or Subordinated Notes earlier than five years after its relevant Issue Date if, in addition to meeting the conditions referred to in (a) or (b) above, any one of the following conditions are also met:

- (a) in the case of redemption due to the occurrence of a Capital Event, (i) the Relevant Regulator considers the relevant change to be sufficiently certain and (ii) the Bank demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of the issuance of the relevant Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be;
- (b) in the case of redemption due to the occurrence of a Tax Event or for withholding tax reasons pursuant to Condition 8(b), the Bank demonstrates to the satisfaction of the Relevant Regulator that the relevant event is material and was not reasonably foreseeable at the time of issuance of the relevant Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be;
- (c) the Bank repurchases the relevant Additional Tier 1 Notes or Subordinated Notes, as the case may be, for market making purposes; or
- (d) the Bank replaces the relevant Additional Tier 1 Notes or Subordinated Notes, as the case may be, with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the institution and the Relevant Regulator has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances.

The rules under the CRD (as defined below) may be modified from time to time after the date of this Offering Circular.

These optional redemption rights are likely to limit the market price at which the relevant Notes trade. During any period when the Issuer may elect to redeem the relevant Notes, or there is the perception that the Issuer is able to redeem the Notes, as the case may be, the market price of such Notes generally will not exceed the price at which they can be redeemed. This also may be true prior to any redemption event, in anticipation of such an event occurring.

The Issuer may be expected to be more likely 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 that is 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 carefully consider reinvestment risk in light of other investments available at that time.

*The qualification of the Senior Preferred Notes and the Senior Non-Preferred Notes as “eligible liabilities” is subject to uncertainty*

The Senior Preferred Notes and the Senior Non-Preferred Notes are intended to be MREL/TLAC Eligible Liabilities which are available to meet any MREL/TLAC Requirement (however called or defined by then Applicable MREL/TLAC Regulations) of the Bank and/or the Handelsbanken Group. However, there is uncertainty regarding the final substance of the Applicable MREL/TLAC Regulations and how those regulations, once enacted, are to be interpreted and applied and the Bank cannot provide any assurance that such Senior Preferred Notes and Senior Non-Preferred Notes will be (or thereafter remain) MREL/TLAC Eligible Liabilities. There is therefore a risk that a MREL/TLAC Disqualification Event may occur.

Upon the occurrence of a MREL/TLAC Disqualification Event, the Bank may, at its option but subject to Condition 8(l), (i) where the applicable Pricing Supplement specifies MREL/TLAC Disqualification Event Redemption Option as being applicable, redeem all (but not some only) of the Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be, of such Series and (ii) where the applicable Pricing Supplement specifies MREL/TLAC Disqualification Event Substitution/Variation Option as being applicable, either substitute all (but not some only) of the Notes of such Series for, or vary the terms of the Notes of such Series (including changing the governing law of Condition 23 from English law to Swedish law) provided that they become or, as appropriate, remain, in the case of Senior Preferred Notes, Qualifying Senior Preferred Securities, or in the case of Senior Non-Preferred Notes, Qualifying Senior Non-Preferred Securities. See “In certain circumstances, redemption upon occurrence of a MREL/TLAC Disqualification Event in relation to Senior Preferred Notes and Senior Non-Preferred Notes is within the Bank’s discretion” and “In certain circumstances, upon the occurrence of a MREL/TLAC Disqualification Event, the Bank may substitute a Series of Senior Preferred Notes or Senior Non-Preferred Notes or vary the terms of such Series of Senior Preferred Notes or Senior Non-Preferred Notes without the consent of the holders of such Series of Senior Preferred Notes or Senior Non-Preferred Notes and such substitution or variation may materially adversely affect the rights of such holders” for a description of the risks related to an early redemption of Notes or the substitution or variation, as the case may be, of Notes.

*In certain circumstances, redemption upon occurrence of a MREL/TLAC Disqualification Event in relation to Senior Preferred Notes and Senior Non-Preferred Notes is within the Bank’s discretion*

In the case of a Series of Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be, if MREL/TLAC Disqualification Event Redemption Option is specified as being applicable in the applicable Pricing Supplement and a MREL/TLAC Disqualification Event has occurred, the Bank may, at its option but subject to Condition 8(l), redeem all (but not some only) of such Series of Notes at the Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date of redemption. There can be no assurance that holders of such Series Notes 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 such Series of Notes. See the risk factor “Notes subject to optional redemption by the Issuer” above.

In addition, each Series of Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be, may contain provisions entitling the Bank, instead of redeeming such Series of Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be, in the circumstances aforesaid, to substitute them for, or vary their terms (including changing the governing law of Condition 23 from English law to Swedish law) so that they remain or, as appropriate, become, in the case of Senior Preferred Notes, Qualifying Senior Preferred Securities or, in the case of Senior Non-Preferred Notes, Qualifying Senior Non-Preferred Securities. See the risk factor “In certain circumstances, upon the occurrence of a MREL/TLAC Disqualification Event, the Bank may substitute a Series of Senior Non-Preferred Notes or vary the terms of such Series of Senior Non-Preferred Notes without the consent of the holders of such Series of Senior Non-Preferred Notes and such substitution or variation may materially adversely affect the rights of such holders” below.

*Redemption upon an occurrence of a Tax Event in relation to Senior Preferred Notes and Senior Non-Preferred Notes is within the Bank's discretion*

In the case of a Series of Senior Preferred Notes or Senior Non-Preferred Notes, upon the occurrence of a Tax Event but subject to Condition 8(l), the Bank may, at its option, redeem all (but not some only) of such Series of Notes, as the case may be, at the Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date of redemption. There can be no assurance that holders of such Series of Notes, as the case may be, 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 such Series of Notes, as the case may be. See the risk factor "Notes subject to optional redemption by the Issuer" above.

*In certain circumstances, upon the occurrence of a MREL/TLAC Disqualification Event, the Bank may substitute a Series of Senior Preferred Notes or Senior Non-Preferred Notes or vary the terms of such Series of Notes without the consent of the holders of such Series of Notes and such substitution or variation may materially adversely affect the rights of such holders*

In the case of a Series of Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be, and subject to Condition 8(j), as the case may be, and 8(l), if MREL/TLAC Disqualification Event Substitution/Variation Option is specified as being applicable in the applicable Pricing Supplement, and a MREL/TLAC Disqualification Event has occurred or in order to ensure the effectiveness and enforceability of Condition 23 in respect of such a Series, the Bank may, instead of redeeming such Series of Notes without the consent of holders of such Series of Notes, at any time substitute them for, or vary their terms provided that they become or, as appropriate, remain in the case of Senior Preferred Notes, Qualifying Senior Preferred Securities or, in the case of Senior Non-Preferred Notes, Qualifying Senior Non-Preferred Securities. Any such substitution or variation may materially adversely affect the rights of the holders of such Series of Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be, and the market price of such Series of Notes. Furthermore, the tax and stamp duty consequences of holding particular securities following a substitution may adversely impact some types of investors.

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

The Senior Non-Preferred Notes constitute unconditional and unsecured obligations of the Bank. As provided under Condition 4, the rights of the holders of any Senior Non-Preferred Notes shall rank at least *pari passu* with all other unsubordinated unsecured indebtedness of the Bank. As provided under Condition 4, the rights of the holders of any Senior Non-Preferred Notes shall, rank (i) junior in right of payment to the claims of depositors and other unsubordinated creditors of the Bank that are not creditors in respect of Senior Non-Preferred Liabilities; (ii) at least *pari passu* with all other Senior Non-Preferred Liabilities of the Bank; and (iii) senior to holders of all classes of ordinary shares of the Bank and any subordinated obligations or other securities of the Issuer (including the Subordinated Notes and the Additional Tier 1 Notes) which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities.

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

*Redemption upon an occurrence of a Capital Event or a Tax Event in relation to Additional Tier 1 Notes or Subordinated Notes is within the Bank's discretion*

In the case of a Series of Additional Tier 1 Notes or Subordinated Notes, upon the occurrence of a Capital Event or a Tax Event but subject to the consent of the Relevant Regulator as provided in Condition 8(l), the Bank may, at its option, redeem all (but not some only) of such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be, at the Early Redemption Amount together, if appropriate, with (in the case of Subordinated Notes) interest accrued to (but excluding) the date of redemption or (in the case of Additional Tier 1 Notes) interest accrued to (but excluding) the date of redemption if the Bank's obligation to pay interest has not been cancelled or deemed to be cancelled. There can be no assurance that holders of such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be, 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 such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be. See the risk factor "Notes subject to optional redemption by the Issuer" above.

As of 1st January, 2017, a company that is covered by the CRR cannot deduct interest costs on subordinated loans that may be included in the own funds under the regulation for Swedish tax purposes. As the Bank is a company covered by the relevant regulations and the Additional Tier 1 Notes and/or Subordinated Notes issuable under the Programme constitute such subordinated loans, the interest cost for the Notes will hence not be deductible for the Bank.

In addition, each Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be, will contain provisions entitling the Bank, instead of redeeming such Series of Notes, in the circumstances aforesaid or in order to ensure the effectiveness and enforceability of Condition 23, to substitute them for, or vary their terms (including changing the governing law of Condition 23 from English law to Swedish law) so that they remain or, as appropriate, become, in the case of Additional Tier 1 Notes, Qualifying Additional Tier 1 Securities or, in the case of Subordinated Notes, Qualifying Subordinated Securities.

*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 value of such Notes is typically more volatile than the market value 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 are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, 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. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

#### *Reset Notes*

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

#### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than prices for more 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 Issuer’s obligations under Subordinated Notes are subordinated and its obligations under Additional Tier 1 Notes are deeply subordinated*

Subordinated Notes and the relative Coupons will constitute unsecured, subordinated obligations of the Bank and, in the event of a liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank, the rights of the holders of the Subordinated Notes to payments of the then Outstanding Principal Amount of the Subordinated Notes and any other amounts payable in respect of the Subordinated Notes (including any accrued interest or damages awarded for breach of any obligations under the Terms and Conditions of the Notes), will rank (i) *pari passu* without any preference among Subordinated Notes of the same Series, (ii) at least *pari passu* in right of payment with payments to holders of present or future outstanding Parity Securities, (iii) in priority in right of payment to payments to holders of present or future outstanding Junior Securities, and (iv) junior in right of payment to the payment of any present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank, (c) other unsubordinated creditors of the Bank and (d) subordinated creditors of the Bank whose right of payment ranks, or is expressed to rank, in priority to the right of payment of the holders of the Subordinated Notes.

Additional Tier 1 Notes and the relative Coupons will constitute unsecured, subordinated obligations of the Bank and, in the event of the voluntary or involuntary liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank, the rights of the holders of the Additional Tier 1 Notes to payments of the then Outstanding Principal Amount of the Additional Tier 1 Notes (which shall be reduced by any relevant Write Down in respect of which a Trigger Event has occurred but in respect of which the relevant Write Down Effective Date has not yet occurred) and any other amounts payable in respect of the Additional Tier 1 Notes (including, if applicable, any accrued and uncanceled interest or damages awarded for breach of any obligations under the Terms and Conditions of the Notes), will rank (i) *pari passu* without any preference among Additional Tier 1 Notes of the same Series, (ii) at least *pari passu* in right of payment with payments to holders of present or future outstanding Parity Securities; (iii) in priority in right of payment to payments to holders of present or future outstanding Junior Securities; and (iv) junior in right of payment to the

payment of any present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank, (c) other unsubordinated creditors of the Bank and (d) creditors of the Bank in respect of Subordinated Indebtedness (other than Parity Securities and Junior Securities).

If the Bank were to liquidate (whether voluntarily or involuntarily), holders of such Notes could lose their investment, and this risk is more prominent for holders of Subordinated Notes and Additional Tier 1 Notes.

*Additional Tier 1 Notes may be subject to a Write Down and upon the occurrence of such an event holders of Additional Tier 1 Notes may lose substantially all of their investment in the Additional Tier 1 Notes*

If, in respect of a Series of Additional Tier 1 Notes, the Bank determines that a Trigger Event has occurred as at any Measurement Date, a Write Down will occur and the Outstanding Principal Amount of the Additional Tier 1 Note of such Series may be written down to as low as the applicable Loss Absorption Minimum Amount for such Series of Additional Tier 1 Notes. As a result, a holder of a Series of Additional Tier 1 Notes may lose substantially all of its investment in such Series of Additional Tier 1 Notes. No holder of a Series of Additional Tier 1 Notes will have any rights against the Bank with respect to the repayment of any principal amount to the extent so written down or the payment of interest on any principal amount that has been so written down or any other amount on or in respect of any principal amount that has been so written down. Moreover, the Bank's obligation to pay any interest on any principal amount that is to be written down on the relevant Write Down Effective Date, in respect of an Interest Period ending on any Interest Payment Date falling between the date of a Trigger Event and the Write Down Effective Date, shall automatically be deemed to have been cancelled upon the occurrence of such Trigger Event and such interest shall, accordingly, not be due and payable. The Write Down shall not constitute an Event of Default or a breach of the Bank's obligations or duties or a failure to perform by the Bank in any manner whatsoever and shall not, of itself, entitle holders of such Series of Additional Tier 1 Notes to any petition for the insolvency or dissolution of the Bank or otherwise.

A Trigger Event will occur, in respect of a Series of Additional Tier 1 Notes, where the Common Equity Tier 1 Capital Ratio of the Bank or the Handelsbanken Group, as the case may be, as at any Measurement Date is less than at the relevant Trigger Level in respect of such Series of Additional Tier 1 Notes. Proximity of the Bank's or the Handelsbanken Group's Common Equity Tier 1 Capital Ratio to the relevant Trigger Level in respect of such Series of Additional Tier 1 Notes will likely cause volatility in and have an adverse effect on the market price of such Series of Additional Tier 1 Notes. This may also be true prior to the occurrence of a Trigger Event, in anticipation of such an event occurring.

Furthermore, upon the occurrence of a Write Down, holders of Additional Tier 1 Notes will not (i) receive any shares or other participation rights in the Bank or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Bank or any other member of the Handelsbanken Group, or (ii) be entitled to any write-up or any other compensation in the event of a potential recovery of the Bank or any other member of the Handelsbanken Group or any subsequent change in the financial condition thereof. A Write Down may occur at any time and on more than one occasion, and may occur even if existing preference shares, participation certificates and ordinary shares of the Bank remain outstanding. Any redemption of a Series of Additional Tier 1 Notes at the option of the Bank (as described in "Notes subject to optional redemption by the Issuer") following any Write Down will be at the then Outstanding Principal Amount of the Additional Tier 1 Notes of such Series, which may be lower than the Original Principal Amount of the Additional Tier 1 Notes of such Series. Although the Bank could, in its sole and absolute discretion, reinstate all or a part of any Write Down Amount under certain conditions described in the Terms and Conditions of the Notes, there can be no assurance that such terms and conditions would ever be satisfied or, even if

satisfied, that the Bank would exercise its discretion to implement such a Reinstatement. See Condition 9.

*The Additional Tier 1 Notes are a relatively novel form of security and may not be a suitable investment for all investors*

The Additional Tier 1 Notes are a relatively novel form of security. As a result, an investment in a Series of Additional Tier 1 Notes will involve certain increased risks. Each potential investor in a Series of Additional Tier 1 Notes must determine the suitability of such investment in light of its own circumstances. In particular, in respect of each Series of Additional Tier 1 Notes, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Additional Tier 1 Notes, the merits and risks of investing in the Additional Tier 1 Notes and the information contained in this Offering Circular;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Additional Tier 1 Notes and the impact the Additional Tier 1 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 Additional Tier 1 Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Additional Tier 1 Notes, such as the provisions governing a Write Down and cancellation of interest, understand under what circumstances a Trigger Event will or may be deemed to occur, and be familiar with the behaviour of any relevant financial markets and their potential impact on the likelihood of a Trigger Event, a Capital Event or a Tax Event occurring; 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, the Write Down of the Additional Tier 1 Notes and its ability to bear the applicable risks.

*Upon the occurrence of a Trigger Event there may be a Write Down of the Additional Tier 1 Notes even if other regulatory capital instruments of the Bank are not written down or converted into shares*

The terms and conditions of other regulatory capital instruments already in issue or to be issued by the Bank after the issue date of a particular Series of Additional Tier 1 Notes may vary and accordingly such instruments may not be written down at the same time, or to the same extent, as the Additional Tier 1 Notes of such Series, or at all. Alternatively, such other regulatory capital instruments may provide that they shall convert into equity, or be entitled to a write up or other compensation in the event of a potential recovery of the Bank or any other member of the Handelsbanken Group or a subsequent change in the financial condition thereof. Upon the occurrence of a Trigger Event, to the extent the prior (or *pro rata*) write down or conversion of any other regulatory capital instruments issued by the Bank is not applicable under their respective terms, or if applicable, does not occur for any reason, this shall not in any way affect the Write Down of any Additional Tier 1 Notes.

*The Common Equity Tier 1 Capital Ratio of each of the Bank and the Handelsbanken Group is unpredictable and will fluctuate. Any decline in such ratios may have an adverse effect on the market price of a Series of Additional Tier 1 Notes and could give rise to a Trigger Event in respect of such Series of Additional Tier 1 Notes*

The market price of a Series of Additional Tier 1 Notes is expected to be affected by fluctuations in the Common Equity Tier 1 Capital Ratio of the Bank and the Handelsbanken Group. Thus, any indication that the Common Equity Tier 1 Capital Ratio of the Bank or the Handelsbanken Group is declining towards the relevant Trigger Level, as the case may be, in respect of such Series of Additional Tier 1 Notes, may have an adverse effect on the market price of such Series of Additional Tier 1 Notes. The level of the Common Equity Tier 1 Capital Ratio of each of the Bank and the Handelsbanken Group may significantly affect the trading price of a Series of Additional Tier 1 Notes.

The Common Equity Tier 1 Capital Ratio of each of the Bank and the Handelsbanken Group may be calculated as at any Measurement Date. Consequently, a Trigger Event in respect of a Series of Additional Tier 1 Notes could occur at any time.

The Common Equity Tier 1 Capital Ratio of the Bank and the Handelsbanken Group, and thus the likelihood of the occurrence of a Trigger Event in respect of a Series of Additional Tier 1 Notes, is inherently unpredictable and will be affected by a number of factors, any of which may be outside the Bank's control, as well as by its business decisions and, when making such decisions, the Bank's interests may not be aligned with those of the holders of a Series of Additional Tier 1 Notes. The calculation of the Common Equity Tier 1 Capital Ratio of the Bank and the Handelsbanken Group could be affected by one or more factors, including, among other things, changes in the mix of the Handelsbanken Group's business, major events affecting its earnings, dividend payments by the Bank, regulatory changes (including changes to definitions and calculations of regulatory capital ratios and their components, as further described below) and the Handelsbanken Group's ability to manage risk-weighted assets in both its ongoing businesses and those which it may seek to exit. Such ratio will also depend on the Handelsbanken Group's decisions relating to its businesses and operations, as well as the management of its capital position, and may be affected by changes in applicable accounting rules or by regulatory adjustments which modify the regulatory capital impact of changes in accounting rules. To this end, it should be noted that the changes to the risk weight floor for Swedish mortgage loans discussed under "There are restrictions on interest payment on the Notes" did – even though the Bank's overall capital requirement was not affected – increase the Bank's risk exposure amount and, accordingly, reduced the reported Common Equity Tier 1 Capital Ratio. See "Capital Adequacy" for further details.

Regulatory initiatives may impact the calculation of risk-weighted assets, being the denominator of the Common Equity Tier 1 Capital Ratio of the Bank and the Handelsbanken Group. For example, the Basel Committee on Banking Supervision has continued its post-crisis work on risk weighted assets and leverage reform. In December 2017, "Basel III: Finalising post-crisis reforms" was published, setting out the Basel Committee's finalisation of the Basel III framework (the "BCBS package"). Broadly, the finalised BCBS package aims to: (i) strengthen risk sensitivity and comparability in credit risk by adopting minimum "input" floors for certain metrics; (ii) introduce a standardised approach to credit valuation adjustment risk; (iii) introduce a standardised approach to operational risk; (iv) provide safeguards against unsustainable levels of leverage by adding a leverage ratio buffer for Global Systemically Important Banks ("G-SIBs"); and (v) ensure that banks' "output" floors can be calculated as being 72.5 per cent. of total risk weighted assets. The date of implementation for most of the proposed reforms listed above has been set at 1st January, 2023. However, the Basel Committee on Banking Supervision has chosen to bring the output floor requirements into force over the course of an added five-year phased implementation period post 1st January, 2023, ending on 1st January, 2028. The European Commission is in the process of preparing the EU's next bank capital legislative package, the sixth Capital Requirements Directive (CRD VI) and the third Capital Requirements Regulation (CRR III). This legislative proposal is expected to be published in mid-2020 and will implement the final elements of the BCBS package. The European Banking Authority published its technical advice to the European Commission on the implementation of this framework on 4th August, 2019. Its main recommendations include the application of this



framework in full from 2022 on a phased-in basis as presently proposed, the use of the risk weight floor to compute the full stack of capital requirements, including Pillar 2 requirements and systemic buffers, and taking due account of the new output floor to be applied at all levels of consolidation. These proposals and resulting changes, if adopted by the Relevant Regulator either individually and/or in aggregate, may lead to further unexpected enhanced requirements in relation to the Bank and/or the Handelsbanken Group's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated.

Any changes that may occur in the application of the regulatory framework subsequent to the date of this Offering Circular and/or any subsequent changes to such rules and other variables may individually and/or in the aggregate negatively affect the calculation of the Common Equity Tier 1 Capital Ratio of the Bank and/or the Handelsbanken Group and thus increase the risk of a Trigger Event in respect of a Series of Additional Tier 1 Notes, as a result of which investors could lose all or part of the value of their investment in such Series of Additional Tier 1 Notes.

The Bank will have no obligation to consider the interests of holders of a Series of Additional Tier 1 Notes in connection with its strategic decisions, including in respect of its capital management. Holders of a Series of Additional Tier 1 Notes will not have any claim against the Bank or any other member of the Handelsbanken Group relating to decisions that affect the business and operations of the Handelsbanken Group, including its capital position, regardless of whether they result in the occurrence of a Trigger Event in respect of such Series of Additional Tier 1 Notes. Such decisions could cause holders of a Series of Additional Tier 1 Notes to lose all or part of the value of their investment in such Series of Additional Tier 1 Notes.

The Bank and the Handelsbanken Group are subject to the EU Bank Recovery and Resolution Directive and the Notes may be subject to loss absorption pursuant to the exercise of powers thereunder.

The Bank and the Handelsbanken Group are subject to BRRD (as implemented in Sweden through the Swedish Resolutions Act (*Sw. lag (2015:1016) om resolution*) and any subsequent Swedish regulation transposing or implementing the BRRD) and the Notes may be subject to loss absorption pursuant to the exercise of powers thereunder.

The BRRD contains resolution tools and powers which may be used alone or in combination if the relevant resolution authority considers that the following conditions are met:

- the competent supervisory authority has deemed a credit institution, an investment firm, certain financial institutions or certain holding companies (each a “relevant entity”) is failing or likely to fail;
- there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe; and
- a resolution action is in the public interest.

Those tools and powers allow:

- a sale of business, which enables the resolution authority to direct the sale of the firm or the whole or part of its business on commercial terms;
- the creation of a bridge institution, which enables the resolution authority to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the relevant entity to meet its repayment obligations; and

- asset separation, which enables the resolution authority to transfer assets (including, without limitation, impaired or problem assets) to one or more publicly owned asset management vehicles in order to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down and can only be used together with another resolution tool.

The BRRD resolution tools and powers also include a general bail-in tool, which gives the resolution authority the power to write down certain claims of unsecured creditors (including in respect of the Notes) of a failing relevant entity (which write down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims, including the Notes, to equity (the “general bail-in tool”), which could, in turn, also be subject to any future cancellation, transfer or dilution.

The BRRD also provides for a Member State of the EU (which for these purposes includes the UK) as a last resort, after having assessed and utilised the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

A relevant entity will be considered as failing or likely to fail when it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation, its assets are, or are likely in the near future to be, less than its liabilities, it is, or is likely in the near future to be, unable to pay its debts as they fall due or (except in limited circumstances) it requires extraordinary public financial support.

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power permanently to write down or convert into equity capital instruments such as Additional Tier 1 Notes or Subordinated Notes at the point of non-viability and before any other resolution action is taken (“non-viability loss absorption”). Any shares issued to holders of Additional Tier 1 Notes or Subordinated Notes upon any such conversion into equity could, in turn, also be subject to any application of the general bail-in tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority or authorities, as the case may be, determine(s) that the relevant entity (or its group) will no longer be viable unless relevant capital instruments (such as Additional Tier 1 Notes or Subordinated Notes) are written-down or converted into equity or (iii) extraordinary public financial support is required by the relevant entity other than, where the entity is an institution, for the purposes of remedying a serious disturbance in the economy of an EEA member state and/or the UK and to preserve financial stability.

Any application of the general bail-in tool and, in the case of Subordinated Notes and Additional Tier 1 Notes, non-viability loss absorption under the BRRD shall follow the ordinary allocation of losses and ranking in an insolvency of the relevant institution. Accordingly, the impact of such application on holders of Notes will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors.

To the extent any resulting treatment of holders of Notes pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder has a right to compensation under the BRRD based on an independent valuation of the relevant entity (which is referred to as the “no creditor worse off safeguard” under the BRRD). Any such compensation is unlikely to compensate that holder for the

losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Notes. In the event that Subordinated Notes or Additional Tier 1 Notes are subject to the application of non-viability loss absorption, compensation (if any) would only be in the form of equity.

The BRRD was implemented in Sweden on 1st February, 2016 through the Swedish Resolutions Act (*Sw. lag (2015:1016) om resolution*). With the implementation of the BRRD, European banks are required to have bail in-able resources in order to fulfil the Minimum Requirement for own funds and Eligible Liabilities (“MREL”). MREL is determined by the Swedish National Debt Office (*Sw. Riksgälden*) (the “SNDO”) within the framework set out in Swedish law and relevant EU rules and regulations. MREL shall comprise the sum of a loss absorption amount and a recapitalisation amount. The loss absorption amount shall be equivalent to the relevant entity’s total capital requirements (without taking account of the Basel 1 floor), excluding the combined buffer requirement and, where applicable, macro-prudential elements within the Pillar 2 requirement. The recapitalisation amount shall be equivalent to a relevant entity’s total capital requirements, excluding the combined buffer requirement.

On 23rd February, 2017, the SNDO presented the framework for MREL for banks and some other financial institutions. The model for calculation of MREL determines how much own funds and eligible liabilities each bank has to have, what proportion should be debt and what type of liabilities may be used to meet the requirement. In respect of the largest Swedish banks (including the Bank), the SNDO has decided that, in order to be deemed resolvable, a certain part of the MREL requirements will have to be met by eligible liabilities (rather than own funds) and, further, that such liabilities must be junior to other eligible liabilities. The minimum requirements took effect from 1st January, 2018 and were updated in December 2019. They require that banks progressively build up the volume of junior liabilities required to meet the resolvability requirements by 2024.

Also, a comparable concept for loss absorption, Total Loss Absorbing Capacity (“TLAC”), is under discussion internationally, and these discussions and their outcome could influence the capital needs of European banks going forward even though the Bank has not been identified as a globally systemic important institution.

In early 2019, the European Union co-legislators (the Council of Ministers and the European Parliament) agreed on certain clarifications, changes and additions to the present regulations (together the “BRRD Amendment”). The newly agreed rules comprise capital adequacy regulations as well as resolution regulations. The aims invoked are to increase financial stability, to improve banks’ lending capacity within the European Union and to make it easier for banks to contribute to deeper and more liquid capital markets within the European Union. Moreover, the changes aim to ensure that EU rules reflect internationally agreed principles on TLAC. The BRRD Amendment was published in the Official Journal of the European Union on 7th June, 2019 by way of Directive (EU) 2019/879 of the European Parliament and of the Council of 20th May, 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms. The amended version of the BRRD entered into force on 27th June, 2019.

Amendments were also made to the CRD Directive and to the CRR (the CRD Directive and the CRR together, along with any implementing measures, the “CRD”), including by Directive 2019/878 (the “CRD V Directive”) and CRR II respectively. The date of application of the new rules is 18 months after the entry into force (with certain exemptions). The amendments to the BRRD and to the CRD Directive will have to be implemented in the national laws of EU member states and the UK, whereas the changes made to the CRR are directly applicable in EU member states (which for these purposes includes the UK). A proposal for the implementation into Swedish legislation was published on 13th December, 2019. Furthermore, new Swedish legislation implementing the parts of

the BRRD Amendment regarding a new layer of ranking of debt fulfilling MREL requirements entered into force on 29th December, 2018 and applies to debt instruments issued after such date.

The powers set out in the BRRD will impact how credit institutions and investment firms (such as banks) are managed as well as, in certain circumstances, the rights of creditors. Holders of Notes may be subject to write down or conversion into equity on any application of the general bail-in tool and, in the case of Subordinated Notes and Additional Tier 1 Notes, non-viability loss absorption, which may result in such holders losing some or all of their investment. Such application could also involve modifications to the terms of the Notes, including alteration of the nominal amount or any interest payable on the Notes, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period, to or the disapplication of provisions in, the Terms and Conditions of the Notes. As a result, the exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of such holders, the price or value of their investment in any Notes and/or the ability of the Bank to satisfy its obligations under any Notes.

*The Terms and Conditions of the Notes are subject to the laws of Sweden and their interpretation by the Relevant Regulator. The implementation of many aspects of the CRD and the BRRD in Sweden, and their interpretation by the Relevant Regulator, are uncertain and may have a material effect on the terms of the Additional Tier 1 Notes*

The rights and remedies of holders of Additional Tier 1 Notes may be affected by changes in the laws of Sweden after the date of this Offering Circular or the official interpretation of aspects of CRD and/or BRRD by the Relevant Regulator or the European Central Bank after the date hereof.

Future changes could include the implementation of statutory resolution, bail-in and/or loss absorption measures, or other regulatory, statutory or tax regimes, any or all of which could materially adversely affect the rights of holders of a Series of Additional Tier 1 Notes and the market price of such Series of Additional Tier 1 Notes.

In particular, the CRD is a recently adopted set of rules and regulations that imposes a series of new requirements, many of which will be phased in over a number of years. Certain portions of the CRD Directive and the CRD V Directive have already been transposed into Swedish law and other portions will require transposition into Swedish law. Although CRR and the CRR II are directly applicable in each Member State, they leave a number of important interpretational issues to be resolved through binding technical standards that have been adopted, and will be adopted in the future, and leave certain other matters to the discretion of the Relevant Regulator. The Swedish government has appointed a commission to propose the legislative changes required for implementation, and such proposal was published on 13th December, 2019. After formal referral rounds, the Swedish Government will issue a bill to be passed in Parliament. Under the CRD V and BRRD II, the Swedish legislative changes will need to take effect no later than by 28th December, 2020, however the manner in which the framework and requirements under the CRD and the BRRD will be applied to the Bank remains uncertain to a degree.

Any such changes could impact the calculation of the Common Equity Tier 1 Capital Ratio of the Bank and/or the Handelsbanken Group (including, but not limited to, the calculation of the risk weights of the Bank and/or the Handelsbanken Group's assets, being the denominator of the Common Equity Tier 1 Capital Ratio of the Bank and the Handelsbanken Group, respectively), which could give rise to the occurrence of the Trigger Event in respect of a Series of Additional Tier 1 Notes in circumstances where such Trigger Event may not otherwise have occurred. The calculation of the Common Equity Tier 1 Capital Ratio of the Bank and/or the Handelsbanken Group may also be affected by other factors, see "The Common Equity Tier 1 Capital Ratio of each of the Bank and the Handelsbanken Group is unpredictable and will fluctuate. Any decline in such ratios may have an

adverse effect on the market price of a Series of Additional Tier 1 Notes and could give rise to a Trigger Event in respect of such Series of Additional Tier 1 Notes”.

Such changes could also result in the Bank having the option to redeem a Series of Additional Tier 1 Notes, as referred to in “Notes subject to optional redemption by the Issuer” and “Redemption upon an occurrence of a Capital Event or a Tax Event in relation to Additional Tier 1 Notes or Subordinated Notes is within the Bank’s discretion”, or substitute such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be, or vary their terms, as referred to in “Upon the occurrence of a Capital Event or a Tax Event the Bank may substitute a Series of Additional Tier 1 Notes or Subordinated Notes or vary the terms of such Series of Additional Tier 1 Notes or Subordinated Notes without the consent of the holders of such Series of Additional Tier 1 Notes or Subordinated Notes and such substitution or variation may materially adversely affect the rights of such holders” in circumstances which otherwise it might not have such rights.

Such changes, or any uncertainty relating to future implementation or interpretation, may have a material impact on the market price of each Series of Additional Tier 1 Notes and/or the ability to accurately value a Series of Additional Tier 1 Notes.

*There is no scheduled redemption or maturity of the Additional Tier 1 Notes*

The Additional Tier 1 Notes are undated securities without any fixed redemption or maturity date. The Bank is under no obligation to redeem any Series of Additional Tier 1 Notes at any time. Any optional redemption by the Bank is subject to the prior approval of the Relevant Regulator. There is no redemption at the option of the holders of a Series of Additional Tier 1 Notes.

*Upon the occurrence of a Capital Event or a Tax Event, the Bank may substitute a Series of Additional Tier 1 Notes or Subordinated Notes or vary the terms of such Series of Additional Tier 1 Notes or Subordinated Notes without the consent of the holders of such Series of Additional Tier 1 Notes or Subordinated Notes and such substitution or variation may materially adversely affect the rights of such holders*

In the case of a Series of Additional Tier 1 Notes or Subordinated Notes and subject to Condition 8(k) and 8(l), upon the occurrence of a Capital Event or a Tax Event or in order to ensure the effectiveness or enforceability of Condition 23, the Bank may, instead of redeeming such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be, without the consent of holders of such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be, at any time substitute them for, or vary their terms (including changing the governing law of Condition 23 from English law to Swedish law) provided that they become or, as appropriate, remain in the case of Additional Tier 1 Notes, Qualifying Additional Tier 1 Securities or, in the case of Subordinated Notes, Qualifying Subordinated Securities. Any such substitution or variation may materially adversely affect the rights of the holders of such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be, and the market price of such Series of Additional Tier 1 Notes or Subordinated Notes, as the case may be.

While Qualifying Additional Tier 1 Securities or Qualifying Subordinated Securities must otherwise contain terms that are not materially less favourable to Noteholders than the original terms of the Additional Tier 1 Notes or Subordinated Notes, respectively, the governing law of Condition 23 may be changed from English law to Swedish law in order to ensure the effectiveness and enforceability of Condition 23. There can be no assurance that the terms of the Qualifying Additional Tier 1 Securities or Qualifying Subordinated Securities will be viewed by the market as equally favourable to Noteholders, or that such Additional Tier 1 Notes or Subordinated Notes, as the case may be, will trade at prices that are equal to the prices at which the Additional Tier 1 Notes or Subordinated Notes would have traded on the basis of their original terms.

Furthermore, the tax and stamp duty consequences of holding particular securities following a substitution may adversely impact some types of investors.

*The Bank may decide to cancel interest payments in its sole and absolute discretion. The Additional Tier 1 Notes are not cumulative instruments and cancelled interest will not accrue*

Interest on a Series of Additional Tier 1 Notes will be due and payable only at the sole and absolute discretion of the Bank and, accordingly, the Bank shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be due and payable on any Interest Payment Date. If the Bank does not make an interest payment on the relevant Interest Payment Date (or if the Bank elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Bank's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable.

The Bank is entitled to cancel payments of interest in its sole discretion and it is permitted to do so even if it could make such payments without exceeding the limits described above. Notwithstanding the above, payments of interest on a Series of Additional Tier 1 Notes may be cancelled even if (i) holders of the Bank's shares continue to receive dividends and/or (ii) other regulatory capital instruments remain outstanding and holders of those instruments continue to receive interest payments.

Following any cancellation of interest as described above, the right of holders of a Series of Additional Tier 1 Notes to receive accrued interest in respect of any such Interest Period will terminate and the Bank will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose nor will the non-payment of such interest constitute an Event of Default.

Any actual or anticipated cancellation of interest on a Series of Additional Tier 1 Notes will likely have an adverse effect on the market price of such Series of Additional Tier 1 Notes. In addition, as a result of the interest cancellation provisions of the Additional Tier 1 Notes, the market price of a Series of Additional Tier 1 Notes may be more volatile than the market prices of other securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Bank's financial condition.

*There are restrictions on interest payments on the Additional Tier 1 Notes*

Any payment of interest in respect of a Series of Additional Tier 1 Notes shall be payable only out of the Bank's Distributable Items and will only be paid to the extent permitted by the Relevant Rules, including the applicable criteria for Additional Tier 1 Capital instruments.

It is currently expected that "discretionary payments" (defined broadly under the CRD as payments relating to Common Equity Tier 1 capital, payments of variable remuneration and payments on Additional Tier 1 Capital instruments (including payments of interest on a Series of Additional Tier 1 Notes, which would include, for the avoidance of doubt, any additional amounts in respect of interest which may be payable under Condition 7) will be required to be cancelled, in whole or in part, to the extent that:

- (i) Distributable Items are insufficient to make the relevant payment(s) in the then current financial year;

- (ii) the combined buffer requirement under the Relevant Rules is not met and, if the relevant payment(s) were made, the amount of such payment(s) would exceed the Maximum Distributable Amount; or
- (iii) the Relevant Rules prescribe and/or, as the case may be, the Relevant Regulator requires that the relevant payment(s) shall be cancelled.

The extent of any restriction imposed with respect to the discretionary payments will be adjusted according to the extent of the breach of the combined buffer requirement (as further described in “Capital Adequacy”) and calculated as a percentage of the profits of the institution since the last distribution of profits or other discretionary payment. Such calculation would result in the determination of the Maximum Distributable Amount in each relevant period, which will limit the ability of the relevant institution to make discretionary payments. The determination of the Maximum Distributable Amount is particularly complex and is subject to considerable uncertainty and may be affected by the transposition of Articles 104a and 104b of the CRD V Directive into Swedish regulations. This may lead to the Bank being subject to restrictions on distributions under the Additional Tier 1 Notes in the event of a breach of its Pillar 1 requirements and potential future Pillar 2 requirements if the Bank is subjected to such Pillar 2 requirements relating to restrictions on distributions once the CRD V is transposed into Swedish regulations on 29th December, 2020. Under current regulations, only a breach of the Pillar 1 requirements leads to such distribution restrictions.

In addition, the new Article 16a of the BRRD better clarifies the stacking order between the combined buffer requirement and the MREL requirement. Pursuant to this new provision, a resolution authority has the power to prohibit an entity from distributing more than the “maximum distributable amount for own funds and eligible liabilities” (calculated in accordance with Article 16a(4) of the BRRD (the “M-MDA”)) where the combined buffer requirement and the MREL requirement are not met. Article 16a of the BRRD includes an up to nine month grace period whereby the resolution authority assesses on a monthly basis whether to exercise its powers under the provision before such resolution authority is compelled to exercise its power under the provisions (subject to certain limited exceptions).

The risk weight floor of 25 per cent. previously within the framework of Pillar 2 that applies for Swedish mortgage loans has as of 31st December, 2018 become a Pillar 1 requirement. This change may have increased the risk of a breach of the combined buffer requirement and restrictions or prohibitions on discretionary payments by the Issuer, including interest payments on the Additional Tier 1 Notes. See “Capital Adequacy” for further details.

On 28th January, 2020, the Relevant Regulator decided to impose additional capital requirements in respect of loans for commercial real estate through a risk weight floor in Pillar 2 on exposures to commercial property companies. The additional capital requirements correspond to the difference between a risk weight set by the Relevant Regulator and a bank’s actual average risk weight for exposures to the commercial real estate sector. The floors set by the Relevant Regulator are 35 per cent. for exposures to property companies with collateral in commercial property in Sweden and 25 per cent. for exposures to property companies with collateral in residential property in Sweden. The additional capital requirement is expected to be applied in the third quarter of 2020 during the Relevant Regulator’s assessment of the banks’ capital requirements as part the Relevant Regulator’s annual supervisory review and evaluation process (“SREP”). The Bank’s assessment is that, on implementation, the Common Equity Tier 1 capital requirement will rise by around 0.4 per cent. through an addition in Pillar 2. This change may increase the risk of a breach of the combined buffer requirement and restrictions or prohibitions on discretionary payments by the Issuer, including interest payments on the Additional Tier 1 Notes.

The Norwegian Ministry of Finance intends to adopt temporary floors for average risk weights for Norwegian residential and commercial real estate exposures at 20 and 35 per cent,

respectively. The floors will be applicable for a period of two years from 31st December, 2020. The measure will be formally adopted in early 2020, following notification procedures vis-à-vis the relevant EU/EEA and UK authorities. This will increase the Bank's risk exposure amount. The Bank's view is that the effect will be that the buffer above the Common Equity Tier 1 capital requirement will, on introduction, decrease by approximately 0.4 per cent., through an addition in Pillar 1.

Any actual or anticipated cancellation of interest payments will likely have an adverse effect on the market price of each Series of Additional Tier 1 Notes. In addition, as a result of the interest cancellation provision of the Additional Tier 1 Notes, the market price of each Series of Additional Tier 1 Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Bank's financial condition.

*The Bank or the Handelsbanken Group may be subject to additional capital requirements in the future. Such additional restrictions may restrict the Bank from making interest payments on a Series of Additional Tier 1 Notes in certain circumstances*

Banks are required under the CRD to hold a minimum amount of regulatory capital of 8 per cent. of risk weighted assets (so-called "own funds" requirements). The CRD also introduces various capital buffer requirements (together with the own funds requirement, the so-called "Pillar 1" requirements). To cover those risk elements not fully covered by the Pillar 1 requirements further capital requirements may be imposed by the Relevant Regulator under the framework of its supervisory review process (referred to as "Pillar 2"). The Bank is currently subject to both buffer requirements and additional Pillar 2 capital requirements. See "Capital Adequacy" for further details. These additional capital requirements may be subject to change at any time and, accordingly, more onerous capital requirements may be imposed on the Bank.

In the Relevant Regulator's Memorandum of 8th May, 2015 (as amended on 31st May, 2018) on risk assessment methods in Pillar 2 it was clarified that a capital assessment under Pillar 2 is always additional to the minimum own funds requirement. Where a formal Pillar 2 decision has been taken by the Relevant Regulator (as with respect to the Handelsbanken Group as described in "Capital Adequacy"), the Pillar 2 capital requirement will also be additional to any buffer requirements, meaning, *inter alia*, that it will affect the level at which the automatic restrictions on distributions linked to the combined buffer requirement come into effect. The additional Pillar 2 requirements will therefore restrict the Bank from making some payments in certain circumstances, which may include payments of interest on a Series of Additional Tier 1 Notes and result in the cancellation of such payments. See "- There are restrictions on interest payments on the Additional Tier 1 Notes".

Further formal Pillar 2 decisions will only be taken if it is deemed necessary, for example in times of financial stress where a firm does not have a credible plan for restoring its capital. In less severe circumstances the Relevant Regulator may instead take an informal Pillar 2 decision by informing the firm of its capital assessment. In such a case, the firm may be required to take certain rectifying actions within the framework of applicable regulations in order to avoid such further formal Pillar 2 decisions. If such rectifying actions are required to be taken by the Bank it may adversely affect the Bank's capacity to make interest payments and the market price of each Series of Additional Tier 1 Notes.

The EBA published guidelines on 19th December, 2014 addressed to national competent authorities throughout the EU on, *inter alia*, common procedures and methodologies for the Pillar 2 review. The guidelines relate to, among other things, the amount and composition of additional own funds and were implemented on 1st January, 2016. The current Pillar 2 practice of the Relevant Regulator, as described and communicated in the May 2015 Memorandum (as amended) referred to above, is aligned with these guidelines.



On 23rd November, 2016, the European Commission proposed a reform of the CRR and the CRD Directive by way of a proposal (COM (2016) 850) to amend the CRR and by way of a proposal (COM (2016) 852) to amend the CRD Directive (together, the “CRR/CRD Amendment Proposal”). The CRR/CRD Amendment Proposal introduced, among other things, a leverage ratio requirement of 3 per cent. Common Equity Tier 1 capital, harmonised binding requirement for stable funding, strengthening of the conditions for use of internal models and changes to the relevant regulator’s application of the institution specific Pillar 2 capital add-ons (referred to below as the additional own funds requirements). The CRR/CRD Amendment Proposal has been subject to substantial negotiations between the Council of the EU, the European Parliament and the European Commission. On 16 April 2019 and 14 May 2019, the European Parliament and the Council of the EU, respectively, adopted the CRR/CRD Amendment Proposal. The CRR/CRD Amendment Proposal was published in the Official Journal of the European Union on 7th June, 2019 by way of: (i) the CRR II amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and (ii) the CRD V Directive amending the CRD Directive as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The amended version of the CRR and the CRD Directive entered into force on 27th June, 2019. The date of application of the new rules varies from the date of entry into force and between 12 months and four years after the entry into force.

The amendments to these additional own funds requirements differ from the approach currently applied by the Relevant Regulator and may lead to changes in the level and composition of overall capital requirements for Swedish banks. The reforms make a clear distinction between Pillar 2 capital requirements (“P2R”) and Pillar 2 guidance (“P2G”). P2R will be additional minimum requirements, positioned above Pillar 1 minimum requirements and below the combined buffer requirement, to address risks not covered or not sufficiently covered by Pillar 1. As a consequence, the automatic restrictions on distributions linked to the combined buffer requirements could occur earlier than under the Pillar 2 approach currently employed by the Relevant Regulator. Capital add-ons for systemic risk and macro-prudential risk are explicitly excluded from P2R. P2G, on the other hand, refers to the ability of competent authorities to require institutions to hold capital in excess of Pillar 1 capital requirements, P2R and combined buffer requirements in order to address forward-looking or remote situations. As, according to the reforms, this guidance constitutes a capital target, it is positioned above the combined buffer requirement.

At the date of this Offering Circular it is still uncertain whether and if so, to what extent, the CRR/CRD Amendment Proposal will impose additional capital and/or liquidity requirements on the Bank, which in turn may affect the Bank’s capacity to fulfil its obligations under the Notes.

There can be no assurance, however, that the leverage ratio specified above, or any of the minimum own funds Pillar 1 requirements, additional own funds requirements or buffer capital requirements applicable to the Bank and/or the Handelsbanken Group will not be amended in the future to include new and more onerous capital requirements.

*There are very limited events of default under the Notes*

The Terms and Conditions of the Notes provide for very limited events of default allowing acceleration of a Series of Notes in the limited circumstances described in Condition 14(a) or Condition 14(b), as applicable. Moreover, no holder of a Series of Notes may proceed directly against the Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing, in which case, such holder shall have only such rights against the Bank as those which the Trustee is entitled to exercise. Accordingly, holders of Notes will have very limited remedies.

*There are no limitations on the Bank's incurrence of additional debt or creation of secured debt*

The Bank is not prohibited from issuing, guaranteeing or otherwise incurring further indebtedness ranking *pari passu* with, or senior to, its existing obligations and any future obligations arising under the Programme or from creating any secured indebtedness without also securing its obligations under the Notes. The issue or guaranteeing of any such further securities or incurrence of further indebtedness may reduce the amount recoverable by the Noteholders in the case of a voluntary or involuntary liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank and may limit its ability to meet its obligations under the Notes.

*No right of set-off or counterclaim*

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

*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks" (such as, in the case of Floating Rate Notes, a Reference Rate or, in the case of Reset Notes, a Mid-Swap Rate), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". The Benchmarks Regulation applies, subject to transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, includes the UK). The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

*Future discontinuance of certain benchmark rates (for example, LIBOR or EURIBOR) may adversely affect the value of Floating Rate Notes and/or Reset Notes which are linked to or which reference any such benchmark rate*

The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences that cannot be predicted. In June 2017, the Federal Reserve Bank of New York’s Alternative Reference Rates Committee (the “ARRC”) announced the Secured Overnight Financing Rate (“SOFR”) as its recommended alternative to USD-LIBOR (see “The market continues to develop in relation to the use of SONIA and SOFR as reference rates” below).

Investors should be aware that, if a benchmark rate were discontinued or otherwise unavailable, subject to the paragraphs that follow, the rate of interest on Reset Notes and Floating Rate Notes which are linked to or which reference such benchmark rate will be determined for the relevant period by the fall-back provisions applicable to such Notes. The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR or EURIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable.

Reference Rate Replacement – Independent Adviser: if (i) in the case of Floating Rate Notes, Reference Rate Replacement is specified in the applicable Pricing Supplement as being applicable and Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the rate of interest is to be determined or (ii) in the case of Reset Notes, Mid-Swap Rate is specified in the applicable Pricing Supplement as the Reset Reference Rate (any such Notes “Relevant Notes”) and, in either case, a Benchmark Event occurs in relation to the Relevant Notes, such fallback arrangements will include the possibility that the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a Successor Reference Rate or, failing which, an Alternative Reference Rate and, in each case, an Adjustment Spread determined by the Bank, following consultation with an Independent Advisor. If the Bank is unable to appoint an Independent Adviser or, following consultation with an Independent Adviser so appointed, the Bank fails to make such determination, the Bank may make such determination, in any such case, acting in good faith and in a commercially reasonable manner as described more fully in the Terms and Conditions of the Relevant Notes.

In addition, the Bank, following consultation with the relevant Independent Adviser (if applicable) may also in its discretion specify (acting in good faith and in a commercially reasonable manner) that other amendments to the Terms and Conditions of the Notes are necessary in order to follow market practice in relation to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and, in either case, the Adjustment Spread and to ensure the proper operation and comparability to the Original Reference Rate of the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and, in either case, the Adjustment Spread.

Reference Rate Replacement – ARRC: if, in the Floating Rate Notes, (i) SOFR is specified in the applicable Pricing Supplement as the applicable Reference Rate and ARRC Fallbacks is specified as being applicable in the Pricing Supplement when a Rate of Interest (or any component part thereof) remains to be determined by reference to the Original Reference Rate and (ii) the Bank determines on or prior to the Relevant Time on an Interest Determination Date that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Original Reference

Rate, the Bank will determine a Benchmark Replacement to replace the Original Reference Rate in accordance with the benchmark transition provisions described more fully in Condition 7(e).

The selection of a Benchmark Replacement, and any decisions, determinations or elections made by the Bank in connection with implementing a Benchmark Replacement with respect to the relevant Notes in accordance with the benchmark transition provisions, including with respect to Benchmark Replacement Conforming Changes, could adversely affect the rate of interest on such Notes, which could adversely affect the return on, value of and market for such Notes. Further, there is no assurance that the characteristics of any Benchmark Replacement will be similar to the Original Reference Rate, or that any Benchmark Replacement will produce the economic equivalent of the Benchmark as a reference rate for interest on such Notes.

The Terms and Conditions of the Notes, as further described in Condition 7(e), provides for a “waterfall” of alternative rates to be used to determine the rate of interest on the relevant Notes if a Benchmark Transition Event and related Benchmark Replacement Date occur. Such alternative rates, referenced in the definition of “Benchmark Replacement” in Condition 2, are uncertain. In particular, the ISDA Fallback Rate, which is the rate referenced in the ISDA Definitions at the time of a Benchmark Transition Event and related Benchmark Replacement Date, has not been established as of the date of this Offering Circular. Even after the ISDA Fallback Rate is initially determined, ISDA Definitions and the ISDA Fallback Rate may change over time. The substitution of a Benchmark Replacement for SOFR may adversely affect the value of and return on the relevant Notes.

*Reference Rate Replacement – General:* No consent of the Noteholders shall be required in connection with (i) (where Condition 7(d) applies) effecting any relevant Successor Reference Rate or Alternative Reference Rate (as applicable) or any other related adjustments and/or amendments described above or (ii) (where Condition 7(e) applies) adopting a rate in accordance with Condition 7(e) or making any other amendment to the terms and conditions of any Series of Notes to effect the Benchmark Replacement Conforming Changes.

In certain circumstances, the ultimate fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Bank to meet its obligations under the Floating Rate Notes or Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Reset Notes. Investors should note that, in the case of Relevant Notes, the Bank, following consultation with the relevant Independent Adviser (if applicable), will have discretion to adjust the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) or, as the case may be, the Original Reference Rate in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder. There can be no assurance that Adjustment Spread so determined will be viewed by the market as eliminating economic prejudice or benefit to the relevant Noteholders. While, in certain circumstances, the aim of the adjustment spread may be to eliminate economic prejudice or benefit, it may not be successful in doing so and the Notes may still perform differently than if they had continued to refer to the Original Reference Rate.

In addition, potential investors should also note that:

- (i) (A) (where Condition 7(d) applies) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made and (B) (where Condition 7(e) applies) no rate determined in accordance with Condition 7(e) will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Replacement Conforming Changes, if, and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the qualification of the Relevant Notes as (A) in the case of Senior Preferred Notes or Senior Non-Preferred Notes, MREL/TLAC Eligible Liabilities; (B) in the case of Subordinated Notes, Tier 2 Capital of the Bank and/or the Handelsbanken Group; or (C) in the case of Additional Tier 1 Notes, Additional Tier 1 Capital of the Bank and/or the Handelsbanken Group; and
- (ii) in the case of Senior Preferred Notes or Senior Non-Preferred Notes only, (A) (where Condition 7(d) applies) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made and (B) (where Condition 7(e) applies) no rate determined in accordance with Condition 7(e) will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Replacement Conforming Changes, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

In all such circumstances, the ultimate fallback for determining the rate of interest (which is described above) will apply.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes or Reset Notes.

*The market continues to develop in relation to the use of SONIA and SOFR as reference rates*

In the case of Floating Rate Notes, where the Rate of Interest is specified in the applicable Pricing Supplement as being determined by reference to SONIA or SOFR, the Rate of Interest will be determined on the basis of either a compounded daily rate or a weighted average rate. In either case, such rate will differ from the relevant LIBOR rate (GBP-LIBOR in the case of SONIA and USD-LIBOR in the case of SOFR) in a number of material respects, including (without limitation) that a compounded daily rate or weighted average rate will be determined by reference to backwards-looking, risk-free overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR, SONIA and SOFR may behave materially differently as interest reference rates for Notes issued under the Programme. The use of SONIA or SOFR as a reference rate for Eurobonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such reference rates.

Accordingly, prospective investors in any Notes referencing SONIA or SOFR should be aware that the market continues to develop in relation to SONIA and SOFR as reference rates in the capital markets and their adoption as an alternative to GBP-LIBOR and USD-LIBOR, respectively. For example, whether backwards-looking rates are ultimately determined on a compounding daily basis or a weighted average basis, and whether forward-looking 'term' rates derived from SONIA or SOFR will be developed and adopted by the markets, remains to be seen. The adoption of SONIA or

SOFR may also see component inputs into swap rates or other composite rates transferring from LIBOR or another reference rate to SONIA or SOFR, as applicable.

The market or a significant part thereof may adopt an application of SONIA or SOFR that differs significantly from that set out in the Terms and Conditions of the Notes as applicable to Notes referencing a SONIA or SOFR rate that are issued under this Offering Circular. Furthermore, the Bank may in future issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with any previous SONIA- or SOFR-referenced Notes issued by it under the Programme. The nascent development of SONIA and SOFR as interest reference rates for the Eurobond markets, as well as continued development of SONIA and SOFR rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA- or SOFR-referenced Notes issued under the Programme from time to time.

Furthermore, the Rate of Interest on Notes which reference SONIA or SOFR is only capable of being determined at the end of the relevant Interest Period and shortly prior to the relevant Interest Payment Date. It may be difficult for investors in such Notes to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, in contrast to LIBOR-based Notes, if Notes referencing SONIA or SOFR are redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable.

In addition, the manner of adoption or application of SONIA and SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA or SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing either such rate.

Investors should carefully consider these matters when making their investment decision with respect to any such Notes.

*In respect of any Notes issued with a specific use of proceeds, such as for Eligible Green Assets, there can be no assurance that the use of proceeds of the Notes will be suitable for the investment criteria of an investor*

If the applicable Pricing Supplement provides that it will be the Bank's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes ("Eligible Green Assets" and Notes issued thereunder to be "Green Bonds"), prospective investors should have regard to the information set out in "Use of Proceeds" of this Offering Circular and must determine for themselves the relevance of such information for the purpose of any investment in such Green Bonds together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or any Dealer that the use of such proceeds for any Eligible Green Assets (as defined in "Use of Proceeds" below) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Assets.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Assets will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Assets.

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

In the event that any such Green Bonds are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Assets. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Green Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Bonds.

While it is the intention of the Issuer to apply the proceeds of any Green Bonds so specified for Eligible Green Assets in, or substantially in, the manner described in this Offering Circular and/or the applicable Pricing Supplement, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Assets will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Assets. Nor can there be any assurance that any projects relating to such Eligible Green Assets will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Green Bonds.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Green Assets as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or

certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Green Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Green Bonds and also potentially the value of any other Notes which are intended to finance Eligible Green Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

#### *Differences between the Notes and bank deposits*

An investment in the Notes may give rise to higher yields than a bank deposit. However, an investment in the Notes carries risks which are very different from the risks associated with a bank deposit, with the higher yield of the Notes generally attributable to the greater risks associated with investment in the Notes.

The Notes are expected to be less liquid than bank deposits. Bank deposits are generally repayable on demand, or with notice from the depositors, whereas holders of the Notes have no ability to require early repayment of their investment other than in an event of default (see “Terms and Conditions of the Notes – Condition 14”). Furthermore, although the Notes are transferable, the Notes may have no established trading market when issued, and one may never develop. See “The secondary market generally”.

#### *Risks related to Notes generally*

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

##### *Modification, waivers and substitution*

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally or to pass resolutions in writing or through the use of electronic consents. These provisions stipulate defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16 of the Notes.

##### *Change of law*

The Terms and Conditions of the Notes, except for Conditions 3, 4, 5, 6 and 9 (which are based on Swedish law in effect as at the date of issue of the relevant Notes) are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice or Swedish law or administrative practice, as the case may be, after the date of issue of the relevant Notes.

##### *Risks relating to the enforcement of judgments in Sweden relating to the United Kingdom's withdrawal from the EU*



As the Notes are subject to the jurisdiction of English courts, if no new reciprocal agreement on civil justice is agreed between the UK and the remaining members of the EU, there will also be a period of uncertainty concerning the enforcement of English court judgments in Sweden as the current regulation concerning the recognition and enforcement of judgments that applies between the United Kingdom and EU Member States, that is, the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12th December, 2012) would cease to apply to the UK (and to UK judgments). Further, the UK would no longer be a party to the Lugano Convention under which judgments from the courts of contracting states (currently the EU Member States, plus Switzerland, Iceland and Norway) are recognised and enforced in other contracting states.

In its White Paper from July 2018, the UK Government stated that it will seek to participate in the Lugano Convention on leaving the EU, which would mean English judgments would continue to be recognised and enforced in Sweden (and other contracting states). The UK requested accession on 8th April, 2020, however in order for it to participate in the Lugano Convention as an independent state, all of the current contracting parties, including the EU Member States, must provide their unanimous consent by 1st October, 2020. In the same White Paper, the UK Government also stated that it will seek a new bilateral agreement with the EU27 concerning cooperation in the area of civil justice including arrangements for the continued mutual recognition and enforcement of judgments. There can, however, be no assurances as to whether any such agreement will be entered into or as to the terms of any final agreement and, as a result, it is possible that a judgment entered against the Issuer in a UK court may not be recognised or enforceable in Sweden as a matter of law without a re-trial on its merits (but will be of persuasive authority as a matter of evidence before the courts of law, arbitral tribunals or executive or other public authorities in Sweden).

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

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

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

Set out below is a brief description of certain market risks which will be applicable to holders of the Notes, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

##### *The secondary market generally*

The Notes may have no established trading market when issued, and one may never develop (for example, the Notes may be allocated to a limited pool of investors). If a market for the Notes does develop, it may not be liquid and may be sensitive to changes in financial markets. 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 Issuer will pay principal and interest on the Notes in the relevant Specified Currency (as defined in the Terms and Conditions of the Notes). 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. The Bank has no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. Moreover, if payments on certain Notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been highly volatile and volatility between such currencies or with other currencies may be expected in the future. Fluctuations between currencies in the past are not necessarily indicative, however, of fluctuations that may occur in the future. 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.

In addition, a holder of securities with a fixed interest rate that will be periodically reset during the term of the relevant securities, such as Reset Notes, is also exposed to the risk of fluctuating interest rate levels and uncertain interest income.

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

One or more independent credit rating agencies may assign credit ratings to the Notes. Real or anticipated changes in the Bank's credit ratings generally will affect the market value of the Notes. The ratings may not reflect the potential impact of all risks related to the structure, the market, other additional risk 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 rating agency at any time.

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

such endorsement action or certification, as the case may be, has not been withdrawn or suspended). If the status of the rating agency rating the Notes changes, European (including UK) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including UK) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the front cover of this Offering Circular and, in respect of any Tranche of Notes which is rated, such rating will be disclosed in the applicable Pricing Supplement.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) pages 77-187 (inclusive), 238-240 (inclusive) and 254 of the annual report of the Bank and the annual audited consolidated accounts of the Group in respect of the financial year ended 31st December, 2019, which can be viewed online at (<https://vp292.alertir.com/afw/files/press/handelsbanken/202002135859-1.pdf>);
- (b) pages 64-175 (inclusive), 234-236 (inclusive) and 250 of the annual report of the Bank and the annual audited consolidated accounts of the Group in respect of the financial year ended 31st December, 2018, which can be viewed online at ([https://www.handelsbanken.com/shb/inet/icentsv.nsf/vlookuppics/investor\\_relations\\_en\\_q-reports\\_hb\\_2018\\_eng\\_annualreport/\\$file/hb\\_2018\\_eng\\_annualreport.pdf](https://www.handelsbanken.com/shb/inet/icentsv.nsf/vlookuppics/investor_relations_en_q-reports_hb_2018_eng_annualreport/$file/hb_2018_eng_annualreport.pdf));
- (c) pages 30-63 (inclusive) and 74 of the interim unaudited consolidated financial statements of the Group for the three month period ended 31st March, 2020 which can be viewed online at (<https://vp292.alertir.com/afw/files/press/handelsbanken/202004215124-1.pdf>);
- (d) pages 7 and 42-43 (inclusive) of the Bank's Q1 2020 Fact book, which can be viewed online at ([https://www.handelsbanken.com/shb/inet/icentsv.nsf/vlookuppics/investor\\_relations\\_en\\_q-reports\\_hb\\_2019\\_q1\\_eng\\_factbook/\\$file/hb\\_2019\\_q1\\_eng\\_factbook.pdf](https://www.handelsbanken.com/shb/inet/icentsv.nsf/vlookuppics/investor_relations_en_q-reports_hb_2019_q1_eng_factbook/$file/hb_2019_q1_eng_factbook.pdf));
- (e) the sections "Terms and Conditions of the Notes" from the previous offering circulars relating to the Programme dated:
  - 19th June, 2019, which can be viewed online at ([https://www.ise.ie/debt\\_documents/Base%20Prospectus\\_a712ca49-dfe5-4e76-89b8-00d3ba17b2a1.PDF](https://www.ise.ie/debt_documents/Base%20Prospectus_a712ca49-dfe5-4e76-89b8-00d3ba17b2a1.PDF));
  - 19th June, 2018, which can be viewed online at ([https://www.ise.ie/debt\\_documents/Base%20Prospectus\\_c0b79ae4-7570-4375-a17c-b1cca6002d4b.PDF](https://www.ise.ie/debt_documents/Base%20Prospectus_c0b79ae4-7570-4375-a17c-b1cca6002d4b.PDF));
  - 19th June, 2017, which can be viewed online at ([http://www.ise.ie/debt\\_documents/Final%20Base%20Prospectus%2019.06.17\\_b72dac61-19e2-4173-b758-19511e278f67.PDF](http://www.ise.ie/debt_documents/Final%20Base%20Prospectus%2019.06.17_b72dac61-19e2-4173-b758-19511e278f67.PDF));
  - 16th June, 2016, which can be viewed online at ([http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_05a33dd0-bd8b-48ee-a1d3-efb5536d6452.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_05a33dd0-bd8b-48ee-a1d3-efb5536d6452.PDF));
  - 17th June, 2015, which can be viewed online at ([www.ise.ie/debt\\_documents/Base%20Prospectus\\_e3cf8992-2592-44cc-8e62-7f26cf9a8eeb.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_e3cf8992-2592-44cc-8e62-7f26cf9a8eeb.PDF));

- 13th June, 2014, which can be viewed online at ([www.ise.ie/debt\\_documents/Base%20Prospectus\\_c2398917-5865-4a8a-961d-f1017fa9dc70.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_c2398917-5865-4a8a-961d-f1017fa9dc70.PDF));
- 14th June, 2013, which can be viewed online at ([www.ise.ie/debt\\_documents/Base%20Prospectus\\_fa0970d7-39bf-4a8b-a021-2ad530af1a40.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_fa0970d7-39bf-4a8b-a021-2ad530af1a40.PDF));
- 15th June, 2012, which can be viewed online at ([www.rns-pdf.londonstockexchange.com/rns/5128F\\_1-2012-6-15.pdf](http://www.rns-pdf.londonstockexchange.com/rns/5128F_1-2012-6-15.pdf)); and
- 15th June, 2011, which can be viewed online at ([www.rns-pdf.londonstockexchange.com/rns/5028I\\_1-2011-6-15.pdf](http://www.rns-pdf.londonstockexchange.com/rns/5028I_1-2011-6-15.pdf)),

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document subsequently incorporated by reference herein by way of a supplement modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Where only parts of a document are incorporated by reference, the non-incorporated parts are either not relevant for the investor or are covered elsewhere in this Offering Circular.

Copies of any or all of the documents which are incorporated herein by reference can be obtained from the registered office of the Bank in Stockholm or on the websites specified above.

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

The Bank will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Offering Circular which is capable of affecting the assessment of any Notes arising or being noted, prepare a supplement to this Offering Circular or publish a new base prospectus for use in connection with any subsequent issue of Notes.

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially represented by a global Note which will (i) if the global Note is intended to be issued in NGN form, as stated in the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg; and (ii) if the global Note is not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to the Common Depositary for Euroclear and Clearstream, Luxembourg. Payments of principal, interest (if any) or any other amounts on a global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender, as the case may be, of the global Note (if the global Note is not intended to be issued in NGN form). A global Note will be exchangeable, in whole but not in part, for security-printed definitive Notes with, where applicable, interest coupons and talons attached either (i) upon not less than 60 days' written notice from Euroclear or Clearstream, Luxembourg (as the case may be) acting on instructions of any holder of interests in the global Note or (ii) only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 14) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 19 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

Pursuant to the Agency Agreement, the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned security code numbers by Euroclear and Clearstream, Luxembourg which are different from the security code numbers assigned to Notes of any other Tranche of the same Series until at least 40 days after the completion of the distribution of the Notes of such Tranche as certified by the Agent to the relevant Purchasers).

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Agent and the Trustee.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do within a reasonable period and the failure shall be continuing.

## FORM OF PRICING SUPPLEMENT

*Set out below is the form of Pricing Supplement which will be completed for each Notes, whatever the denomination of those Notes, issued under the Programme. The applicable Pricing Supplement in relation to any Series of Notes may specify other terms and conditions which will, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify such Terms and Conditions for the purpose of such Notes.*

**[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended) (“MiFID II”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [The target market assessment indicates that Notes are incompatible with the needs, characteristics and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]]. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended) (“MiFID II”); *EITHER* [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] *OR* [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[,/and] portfolio management[,/ and][non-advised sales][and pure execution services]], subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. [The target market assessment indicates that Notes are incompatible with the needs, characteristics and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]]. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”) or the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [MiFID II/Directive 2014/65/EU (as amended) (“MiFID II”)]; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the “PRIIPs

Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA and the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.] *[Include if the Pricing Supplement specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Applicable”]*

**[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE "SFA") - [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].]**<sup>1</sup>

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”) FOR THE ISSUE OF NOTES DESCRIBED BELOW.**

*[Date]*

**SVENSKA HANDELSBANKEN AB (publ)**

**Legal entity identifier (LEI): NHBDILHZTYCNBV5UYZ31**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the U.S.\$50,000,000,000  
Euro Medium Term Note Programme**

## **PART A – CONTRACTUAL TERMS**

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 17th June, 2020 [as supplemented by the supplement[s] dated *[date(s)]*] (the “Offering Circular”). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular may be obtained from *[address]*.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Offering Circular [dated *[original date]*] [and the supplement(s) dated *[date(s)]*] which are incorporated by reference in the Offering Circular.]

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<sup>1</sup> Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.



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

1. Issuer: Svenska Handelsbanken AB (publ)
2. (i) Series Number: [ ]  
 (ii) Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series)*  
 (iii) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [ ] on the Issue Date] [Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
 – Tranche: [ ]  
 – Series: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (if applicable)
6. (i) Specified Denominations: [ ]  
*(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].”)*  
 (ii) Calculation Amount: [ ]  
*(If only one Specified Denomination, insert the Specified Denomination.*  
*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. [(i)] Issue Date [and Interest [ ] Commencement Date]:

- (ii) [Interest Commencement Date (if different from the Issue Date): *[specify/Issue Date/Not Applicable]*]
- (An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: *[Specify date or for floating rate notes - Interest Payment Date falling [in/nearest to] [specify month and year]]*
9. Interest Basis: *[ [ ] per cent. Fixed Rate]  
[Reset Notes]  
[[SONIA/SOFR/[currency] LIBOR / EURIBOR / STIBOR / NIBOR / CIBOR / HIBOR / BBSW] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[specify other]  
(further particulars specified below – see paragraph [15/16/17/18] below)*
10. Redemption Basis: *[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal value][specify other]*
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 15, 16 and/or 17 below if details are included there]/[Not Applicable]*
12. Call Options: *[Issuer Call]  
[(further particulars specified below – see paragraph 19)]*
13. Status of the Notes: *[Senior Preferred / Senior Non-Preferred / Subordinated / Additional Tier 1]*
14. [Date [Board] approval for issuance of [ ] [and [ ], respectively]] Notes obtained:

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

15. Fixed Rate Note Provisions *[Applicable/Not Applicable]*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: *[ ] per cent. per annum payable in arrear on each Interest Payment Date*
- (ii) Interest Payment Dates(s): *[[ ] [ and [ ] ] in each year, from and including [ ], and up to and including the Maturity Date][, subject to adjustment in accordance with paragraph 15(vii)]*

*(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.)*
- (v) Day Count Fraction: [Actual/Actual (ICMA) / 30/360 / Actual/365 (Fixed) / RBA Bond Basis / specify other]
- (vi) Determination Date(s): [ ] in each year  
  
*[Insert 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) Business Day Convention: [Modified Following Business Day Convention / Following Business Day Convention/Preceding Business Day Convention] [unadjusted/adjusted] / specify other / [Not Applicable]
- (viii) Additional Business Centre: [[ ]/Not Applicable]
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]

**16. Reset Note Provisions** [Applicable/Not Applicable]

- (i) Initial Rate of Interest: [ ] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrear
- (ii) Initial Mid-Swap Rate: [ ] per cent.
- (iii) First Reset Margin: [+/-][ ] per cent. per annum
- (iv) Subsequent Reset Margin: [[+/-][ ] per cent. per annum/Not Applicable]
- (v) Interest Payment Date(s): [[ ] [ ] and [ ] [ ] in each year, from and including [ ], and up to and including the Maturity Date][, subject to adjustment in accordance with paragraph 16(xxii)]

*(This will need to be amended in the case of long or short coupons)*

- (vi) Fixed Coupon Amount up to (but [ ] per Calculation Amount

excluding) the First Reset Date:

*(Applicable to Notes in definitive form)*

- (vii) Broken Amount(s) up to (but excluding) the First Reset Date: [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]

*(Applicable to Notes in definitive form)*

- (viii) First Reset Date: [[ ]/Interest Payment Date falling [in/nearest to] *[specify month]*]

- (ix) Second Reset Date: [[ ]/Interest Payment Date falling [in/nearest to] *[specify month]*]/Not Applicable]

- (x) Subsequent Reset Date(s): [[ ] [and [ ]]/Not Applicable]

- (xi) Reset Determination Date(s): [ ]

*(specify in relation to each Reset Date)*

- (xii) Relevant Time: [ ]

- (xiii) Relevant Screen Page: [ ]

- (xiv) Reset Reference Rate: [Mid-Swap Rate]/[Reference Bond]/[CMT Rate]

- (xv) Reset Reference Rate Conversion: [Applicable/Not Applicable]

- (xvi) Original Reset Reference Rate Payment Basis: [Annual/Semi-annual/Quarterly/Monthly/Not Applicable]

*(Original Mid-Swap Rate Payment Basis should be specified as “Not Applicable” if Mid-Swap Rate Conversion, above, is specified as “Not Applicable”)*

- (xvii) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate/Not Applicable]

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

- Reference Rate Replacement: [Applicable/Not Applicable]

- Mid-Swap Floating Leg Maturity: [ ]

- Initial Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]

*(If not applicable, delete “Initial Mid-Swap Rate” immediately below)*

- Initial Mid-Swap Rate: [ ] per cent.
- Reset Period Maturity [Applicable/Not Applicable]  
Initial Mid-Swap Rate Final Fallback: *(If not applicable, delete “Reset Period Maturity Initial Mid-Swap Rate” immediately below)*
- Reset Period Maturity [ ] per cent.  
Initial Mid-Swap Rate:
- Last Observable Mid-Swap [Applicable/Not Applicable]  
Rate Final Fallback:
- (xviii) First Reset Period Fallback [ ]/[Not Applicable]  
Yield: *(N.B. only applicable where the Reset Reference Rate is Reference Bond or CMT Rate)*
- (xix) Fallback Relevant Time: [ ]/[Not Applicable]  
*(N.B. only applicable where the Reset Reference Rate is CMT Rate)*
- (xx) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / Actual/365 (Fixed) / RBA Bond Basis]
- (xxi) Determination Date(s): [ ] in each year  
*[Insert 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))*
- (xxii) Business Day Convention: [Modified Following Business Day Convention / Following Business Day Convention/Preceding Business Day Convention] [unadjusted/adjusted] / [Not Applicable]
- (xxiii) Additional Business Centre: [[ ]/Not Applicable]
- (xxiv) Calculation Agent (if not the Agent): [ ]
- 17. Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [[ ]][ and [ ] ] in each year, from and including [ ], and up to and including the Maturity Date][, subject to adjustment in accordance with paragraph 17(ii)]

- (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 and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (v) Calculation Agent (if not the Agent): [ ]
- (vi) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Term Rate: [Applicable/Not Applicable]
- Overnight Rate: [Applicable/Not Applicable]
- (If not applicable, delete the remaining limbs of this sub-paragraph)*
- Calculation Method: [Compounded Daily Rate/Weighted Average Rate/Not Applicable]
    - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
    - Lag Look-back Period: [5/[ ] Relevant Business Days][Not Applicable]
    - Observation Shift Period: [5/[ ] Relevant Business Days][Not Applicable]
    - D: [365/360/[ ]] days
    - Index Determination: [Applicable / Not Applicable]
    - ARRC Fallbacks: [Applicable / Not Applicable]
- (N.B. only applicable where the Reference Rate is SOFR)*
- Reference Rate: [SONIA]/[SOFR]/[ ] month [[*currency*] LIBOR / EURIBOR / STIBOR / NIBOR / CIBOR / HIBOR / BBSW / *specify other reference rate*]
- Relevant Time: [[ ] in the Relevant Financial Centre/As per

Condition 7(c)(i)(b)][*specify other*]

- Interest Determination Date(s): [Second London business day prior to the start of each Interest Period]  
[First day of each Interest Period]  
[Second day on which the TARGET2 System is open prior to the start of each Interest Period]  
[Second Stockholm business day prior to the start of each Interest Period]  
[Second Oslo business day prior to the start of each Interest Period]  
[Second Copenhagen business day prior to the start of each Interest Period]  
[First Sydney business day of each Interest Period]  
[[ ] days prior to the start of each Interest Period]  
[*specify other*]  
  
(See Condition 7(c)(i)(b) for details)
- Relevant Screen Page: [ ]  
  
(In the case of EURIBOR, if not Reuters Screen EURIBOR01 ensure it is a page which shows a composite rate)
- Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen/Hong Kong/Sydney//New York City/*specify other*]
- Reference Rate Replacement: [Applicable/Not Applicable]
- (vii) ISDA Determination: [Applicable/Not Applicable]  
  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]  
  
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)  
  
(N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be

- calculated using Linear Interpolation (*specify for each short or long interest period*)
- (ix) Margin(s):  [ +/- ]  per cent. per annum
- (x) Minimum Rate of Interest: [Nor Applicable/ per cent. per annum]
- (xi) Maximum Rate of Interest: [Not Applicable/ per cent. per annum]
- (xii) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
360/360  
Bond Basis  
Eurobond Basis  
30E/360 (ISDA)  
*other*]
- (xiii) Fallback 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:

**18. Zero Coupon Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Accrual Yield:  per cent. per annum
- (ii) Reference Price:
- (iii) Any other formula/basis of determining amount payable for Zero Coupon Notes:
- (iv) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]  
[specify other]

**PROVISIONS RELATING TO REDEMPTION**

**19. Issuer Call**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s):



(ii) Optional Redemption Amount: [ ] per Calculation Amount

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [ ]

(b) Higher Redemption Amount: [ ]

(iv) Notice period: Minimum period: [ ] days

Maximum period: [ ] days

*(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

**20.** MREL/TLAC Disqualification Event [Applicable/Not Applicable]  
Redemption Option:

*(Only applicable to Senior Preferred Notes and Senior Non-Preferred Notes. If not applicable, delete the remainder of this paragraph)*

(i) Notice period: Minimum period: [ ] days

Maximum period: [ ] days

*(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

**21.** MREL/TLAC Disqualification Event [Applicable/Not Applicable]  
Substitution/Variation Option:

*(Only applicable to Senior Preferred Notes and Senior Non-Preferred Notes. If not applicable, delete the remainder of this paragraph)*

(i) Notice period: Minimum period: [ ] days

Maximum period: [ ] days

*(When setting notice periods, the Issuer is advised to*

*consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

**22.** Notice periods for Condition 8(i):

[Applicable/Not Applicable]

*(Only applicable to Subordinated Notes and Additional Tier 1 Notes. If not applicable, delete the remainder of this paragraph)*

Minimum period: [ ] days

Maximum period: [ ] days

*(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

**23.** Notice periods for Condition 8(k):

[Applicable/Not Applicable]

*(Only applicable to Subordinated Notes and Additional Tier 1 Notes. If not applicable, delete the remainder of this paragraph)*

Minimum period: [ ] days

Maximum period: [ ] days

*(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

**24.** Final Redemption Amount:

[ ] per Calculation Amount/specify other/see Appendix

**25.** Early Redemption Amount payable on redemption (i) for taxation reasons, (ii) upon the occurrence of a MREL/TLAC

[[ ] per Calculation Amount/As set out in the Conditions/specify other/see Appendix]

Disqualification Event, (iii) upon the occurrence of a Capital Event, (iv) upon the occurrence of a Tax Event or (v) on event of default:

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

**26.** Form of Notes:

(i) Form: Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]

*(The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "€[100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*

(ii) New Global Note: [Yes] [No]

**27.** Additional Financial Centre(s): [Not Applicable/[ ]]

*(Note that this item relates to the date of payment and not interest period end dates to which items 15(viii), 16(xxiii) and 17(iii) relate)*

**28.** No Interest Cancellation Discretion Following a Capital Event: [Applicable/Not Applicable]

*(Only relevant for Additional Tier 1 Notes)*

**29.** Loss Absorption Minimum Amount: [[ ]/Not Applicable]

*(Only relevant for Additional Tier 1 Notes)*

**30.** Trigger Level: [[Bank: [ ]][;][Handelsbanken Group: [ ]]/Not Applicable]

*(Only relevant for Additional Tier 1 Notes)*

**31.** Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

**32.** Other terms or conditions: [Not Applicable/give details]

Signed on behalf of the Bank:

By: \_\_\_\_\_  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on *[specify market – note this must not be an EEA regulated market]* with effect from, or from around, [    ].]

### 2. RATINGS

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated *[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies)]*.]

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

[[Each of][*Insert the legal name of the relevant credit rating agency entity*] is established in the EU and is registered under Regulation (EC) No. 1060/2009 (as amended).]

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

[Save for any fees payable to the [managers/dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [managers/dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

### 4. YIELD *(Fixed Rate Notes and Reset Notes only)*

Indication of yield: [    ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. [In the case of Notes where the [First] Reset Date falls less than one year from the Issue Date, the indication of yield specified above will only be applicable until the [First] Reset Date.]

### 5. OPERATIONAL INFORMATION

(i) ISIN Code: [    ]

(ii) Common Code: [    ]

- (iii) CFI: [[See/[ ]], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency from that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[ ]], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency from that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give *name(s) and number(s)*]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) [Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. 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 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 the ECB being satisfied that Eurosystem eligibility criteria have been met.] /  
[No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 6. DISTRIBUTION

- Method of Distribution: [Syndicated/Non-Syndicated]
- (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Date of Subscription Agreement: [ ]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- (iv) Prohibition of Sales to EEA and UK Retail Investors: [Applicable] *(If the Notes may constitute “packaged” products and no key information document will be prepared, sales of such Notes to EEA and UK Retail Investors should be prohibited and, therefore, “Applicable” should be specified.)*  
  
[Not Applicable] *(If the Notes clearly do not constitute “packaged” products, sales of such Notes to EEA and UK Retail Investors do not need to be prohibited and, therefore, “Not Applicable” should be specified.)*
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA not applicable]  
  
***[N.B. Notes may only be distributed in accordance with TEFRA C Rules]***
- (vii) Additional Selling Restrictions: [Not Applicable/give details]

## 7. REASONS FOR THE OFFER

- Reasons for the offer: [General Corporate Purposes/Green Bonds/[ ]]
- (See “Use of Proceeds” wording in the Offering Circular – if reasons for the offer are different from General Corporate Purposes or Green Bonds, will need to include those reasons here)*

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and which will be endorsed upon each definitive Note. The applicable Pricing Supplement will be endorsed upon, or attached to, each global Note and definitive Note.*

This Note is one of a Series (as defined below) of Notes constituted by a Trust Deed (as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 26th June, 1992 made between Svenska Handelsbanken AB (publ) (the “Bank” or the “Issuer”) and Deutsche Trustee Company Limited (the “Trustee”, which expression shall wherever the context permits include all other persons or companies for the time being acting as trustee under the Trust Deed). References herein to the “Notes” shall, be references to the Notes of this Series and shall mean (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes and the Coupons (each as defined below) also have the benefit of an amended and restated Agency Agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 17th June, 2020, made between the Bank, the Trustee, Deutsche Bank AG, London Branch as issuing and principal paying agent (the “Agent”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons (“Coupons”) and, if indicated in the applicable Pricing Supplement, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The final terms of the Notes (or the relevant provisions thereof) are set out in a pricing supplement (the “Pricing Supplement”) which amends, modifies and replaces these Terms and Conditions (the “Conditions”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, amend, modify or replace the Conditions.

The Trustee acts for the benefit of the holders of the Notes (the “Noteholders”, which expression shall, in relation to any Notes represented by a global Note, be construed as provided below), the holders of the Coupons (the “Couponholders”, which latter expressions, unless the context otherwise requires, include the holders of the Interest Talons, the “Talonholders”), all in accordance with the provisions of the Trust Deed.

As used herein, “Series” means each original issue of Notes together with any further issues expressed to form a single series with the original issue and which are denominated in the same currency and the terms of which (save for the Issue Date, the Interest Commencement Date and/or the Issue Price) are otherwise identical (including whether or not the Notes are listed). As used herein, “Tranche” means all Notes of the same Series with the same Issue Date and Interest Commencement Date.

Copies of the Trust Deed and the Agency Agreement (which contains the form of Pricing Supplement) are (i) available for inspection at the specified offices of each of the Trustee, the Agent and each of the other Paying Agents or (ii) may be provided by email to a Noteholder requesting a copy upon receipt of such request, subject to the Trustee, the Agent or the Paying Agents (as relevant) being supplied by the Bank with electronic copies and such Noteholder producing evidence satisfactory to the Bank and the Agent as to its holding of Notes and identity. Copies of the applicable

Pricing Supplement are available for viewing at the registered office of the Bank and of the Agent and copies may be obtained from those offices save that the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Bank and the Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement, which are binding on them.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed shall prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement shall prevail.

## **1. Form**

The Notes are in bearer form 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.

This Note is a Senior Preferred Note, a Senior Non-Preferred Note, a Subordinated Note or an Additional Tier 1 Note, as indicated in the applicable Pricing Supplement, and the terms “Senior Preferred Note”, “Senior Non-Preferred Note”, “Subordinated Note” and “Additional Tier 1 Note” shall be construed accordingly.

If this Note is an Additional Tier 1 Note, the Outstanding Principal Amount of such Note may be written down and reinstated as provided in Condition 9. Any such adjustment to the Outstanding Principal Amount of such Note will not have any effect on the denomination of such Note.

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

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

Subject as set out below, title to the Notes and Coupons will pass by delivery. Subject as set out below, the Bank, the Trustee and any Paying Agent may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding two paragraphs.

For so long as Notes are represented by a global Note held 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 and/or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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 treated by the Bank, the Trustee and any Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Bank, the Trustee and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant



global Note and the Trust Deed (and the expressions “Noteholder”, “holder of Notes”, “holder” and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Bank, the Trustee and the Agent.

## **2. Definitions**

In these Conditions (unless otherwise provided):

“Accrual Yield” has the meaning specified in the applicable Pricing Supplement;

“Additional Business Centre” has the meaning specified in the applicable Pricing Supplement;

“Additional Financial Centre” has the meaning specified in the applicable Pricing Supplement;

“Additional Tier 1 Capital” means Additional Tier 1 capital (or any equivalent or successor term) for the purposes of the Relevant Rules;

“Adjusted Fixed Rate Notes” means Fixed Rate Notes for which the applicable Pricing Supplement specifies the Business Day Convention as “adjusted”;

“Adjustment Spread” means either (x) a spread (which may be positive, negative or zero) or (y) a formula or methodology for calculating a spread, which, in either case, is to be applied to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Reference Rate (where (i) does not apply) or in the case of an Alternative Reference Rate, the Bank, following consultation with the relevant Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (iii) if no such recommendation or option has been made (or made available) and the Bank, following consultation with the relevant Independent Adviser (if applicable) determines that neither (i) nor (ii) applies, the Bank, following consultation with the relevant Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) in its discretion determines to be appropriate to reduce or eliminate, to the extent practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Reference Rate or the Alternative Reference Rate (as the case may be);

“Administrative Action” means any judicial decision, official administrative pronouncement, or regulatory procedure affecting taxation;

“Alternative Reference Rate” means an alternative benchmark or screen rate that the Bank, following consultation with the relevant Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) determines has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of debt securities denominated in the Specified Currency and of a comparable duration:

- (i) in the case of Floating Rate Notes, to the relevant Interest Periods; or
- (ii) in the case of Reset Notes, to the relevant Reset Interest Periods,

or in any case if the Bank, following consultation with the relevant Independent Adviser (if applicable) determines that there is no such rate, such other rate as the Bank, following consultation with the relevant Independent Adviser (if applicable) determines in its discretion is most comparable to the Original Reference Rate;

“Applicable MREL/TLAC Regulations” means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Sweden giving effect to any MREL/TLAC Requirement, or any successor regulations then applicable to the Bank and/or the Handelsbanken Group, including, without limitation to the generality of the foregoing, CRD, the BRRD and those laws, regulations, requirements, guidelines and policies giving effect to any MREL/TLAC Requirement or any successor regulations then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Bank and/or the Handelsbanken Group);

“Authorised Signatories” has the meaning specified in the Trust Deed;

“Benchmark Event” means:

- (i) the Original Reference Rate ceasing to exist or be published; or
- (ii) the later of (A) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (B) the date falling six months prior to the specified date referred to in (ii)(A); or
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (iv) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the specified date referred to in (iv)(A); or
- (v) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (B) the date falling six months prior to the specified date referred to in (v)(A); or

- (vi) it has or will prior to (in the case of Floating Rate Notes) the next Interest Determination Date or (in the case of Reset Notes) the next Reset Determination Date (as applicable) become unlawful for the Bank, the Agent, the Calculation Agent, any other party specified in the applicable Pricing Supplement, as being responsible for calculating the Rate of Interest or any Paying Agent to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate; or
- (vii) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Bank as of the Benchmark Replacement Date:

- (i) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the Original Reference Rate and (b) the Benchmark Replacement Adjustment;
- (ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (a) the alternate rate of interest that has been selected by the Bank as the replacement for the Original Reference Rate giving due consideration to any industry-accepted rate of interest as a replacement for the then-current benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Bank as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Bank giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definitions of Interest Period, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Bank decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Bank decides that adoption of any portion of such market practice is not administratively feasible or if the Bank determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Bank determines is reasonably necessary);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Original Reference Rate permanently or indefinitely ceases to provide the Original Reference Rate (or such component); or
- (ii) in the case of clause (iii) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein;

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Relevant Time on the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to the Relevant Time for such determination;

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Original Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Original Reference Rate (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate (or such component), the central bank for the currency of the Original Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Original Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Original Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Original Reference Rate, which states that the administrator of the Original Reference Rate (or such component) has ceased or will cease to provide the Original Reference Rate (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative;

“BBSW” means the Bank Bill Swap Reference Rate;

“Broken Amount(s)” has the meaning specified in the applicable Pricing Supplement;

“BRRD” means Directive 2014/59/EU of the European Parliament and of the Council of 15th May, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as the same may be amended or replaced from time to time (including by BRRD II);

“BRRD II” means Directive 2019/879/EU of the European Parliament and of the Council of 20th May, 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, as the same may be amended or replaced from time to time;

“Business Day” means a day which:

- (i) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre;
- (ii) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, is a day on which the TARGET2 System is open; and
- (iii) is either (A) 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 any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open;

“Calculation Agent” means the Agent or, if specified in the applicable Pricing Supplement, any other entity specified as such in the applicable Pricing Supplement, which entity shall be (i) an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, and (ii) appointed by the Bank at its own expense;

“Calculation Amount” has the meaning specified in the applicable Pricing Supplement (for the purposes of a Series of Additional Tier 1 Notes, the “Original Calculation Amount”), provided that, in respect of a Series of Additional Tier 1 Notes, if the Outstanding Principal Amount of each Additional Tier 1 Note of such Series is amended (either by write down or reinstatement) in accordance with Condition 9, the Agent shall (i) adjust the Calculation Amount on a *pro rata* basis to account for such write down or reinstatement, as the case may be, and (ii) notify the Noteholders in accordance with Condition 19 of the details of such adjustment;

“Capital Event” means:

- (i) in the case of a Series of Additional Tier 1 Notes, a decision or determination of the Relevant Regulator that the Notes of such Series will be excluded in full or in part from the Tier 1 Capital of the Bank or the Handelsbanken Group, such decision or determination to be confirmed by the Bank in a certificate signed by two Authorised Signatories of the Bank and delivered to the Trustee; and
- (ii) in the case of a Series of Subordinated Notes, a decision or determination of the Relevant Regulator that the Notes of such Series will be excluded in full or in part from the Own Funds of the Bank or the Handelsbanken Group, such decision or determination to be confirmed by the Bank in a certificate signed by two Authorised Signatories of the Bank and delivered to the Trustee;

“Capital Event Date” means, in the case of a Series of Additional Tier 1 Notes, the date on which two Authorised Signatories of the Bank sign a certificate addressed to the Trustee confirming that a relevant Capital Event has occurred;

“CIBOR” means the Copenhagen interbank offered rate;

“Clearstream, Luxembourg” means Clearstream Banking S.A.;

“Code” means the U.S. Internal Revenue Code of 1986;

“Common Equity Tier 1 Capital Ratio” means, as at any Measurement Date and in relation to the Bank or the Handelsbanken Group (as the case may be), the Common Equity Tier 1 capital ratio of the Bank or the Handelsbanken Group (as the case may be) calculated in accordance with the Relevant Rules;

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

“CRD Directive” means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 26th June, 2013, as the same may be amended or replaced from time to time (including by the CRD V Directive);

“CRD Implementing Measures” means any regulatory capital rules, regulations or other requirements which are applicable to the Bank and/or the Handelsbanken Group and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Bank and/or the Handelsbanken Group to the extent required by the CRD Directive or the CRR, including, for the avoidance of doubt, any regulatory technical standards released by the European Banking Authority (or any successor thereto or replacement thereof);

“CRD V Directive” means Directive 2019/878 as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures of the European Parliament and of the Council of 20th May, 2019 amending Directive 2013/36/EU, as the same may be amended or replaced from time to time;

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

“CRR II” means Regulation (EU) 2019/876 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements of the European Parliament and of the Council of 20th May, 2019 amending Regulation (EU) No. 575/2013, and Regulation (EU) No 648/2012, as amended or replaced from time to time;

“Day Count Fraction” means:

- (i) in respect of the calculation of an amount of interest in accordance with Condition 7(a) (in the case of Fixed Rate Notes) or Condition 7(b) (in the case of Reset Notes):
  - (A) if “Actual/Actual (ICMA)” is specified in the applicable Pricing Supplement:
    - (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 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 Pricing Supplement) that would occur in one calendar year; or
- (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
  - (B) if “30/360” is specified in the applicable Pricing Supplement, 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 year of 360 days with 12 30-day months) divided by 360;
  - (C) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365; and
  - (D) if “RBA Bond Basis” is specified in the applicable Pricing Supplement, one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
    - (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
    - (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)); and
  - (ii) in respect of the calculation of an amount of interest in accordance with Condition 7(c) (in the case of Floating Rate Notes):
    - (A) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Pricing Supplement, 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);

- (B) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (C) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (D) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, 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;

- (E) if “30E/360” or “Eurobond Basis” is specified in the applicable Pricing Supplement, 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;

- (F) if “30E/360 (ISDA)” is specified in the applicable Pricing Supplement, 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; and

if “Actual/365 (Sterling)” is specified in the applicable Pricing Supplement, the 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;

“Designated Maturity” means, in relation to Screen Rate Determination as referred to in Condition 7(c), the period of time designated in the Reference Rate;

“Determination Date” has the meaning specified in the applicable Pricing Supplement;

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“Distributable Items” shall have the meaning assigned to such term in the Relevant Rules;

“Early Redemption Amount” means:

- (i) in the case of a Note (other than an Additional Tier 1 Note) with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note or an Additional Tier 1 Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series or which is payable in a Specified Currency other than that in which the Note is denominated, the amount set out in, or determined in the manner set out in, the applicable Pricing Supplement or, if no such amount or manner is set out in the applicable Pricing Supplement, its nominal amount;
- (iii) in the case of a Zero Coupon Note, at an 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 the Day Count Fraction specified in the applicable Pricing Supplement which will be either (A) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (B) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (C) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365); or

- (iv) in the case of an Additional Tier 1 Note, its Outstanding Principal Amount;

“Equal Trigger Loss Absorbing Instrument” means, in respect of a Series of Additional Tier 1 Notes, a Loss Absorbing Instrument that is, or has been, subject to write down or conversion at the same relevant Trigger Level specified for such Series of Additional Tier 1 Notes;

“Equal Trigger Temporary Write Down Instruments” means, in respect of a Series of Additional Tier 1 Notes, an Equal Trigger Loss Absorbing Instrument that is, or has been, subject to write down on a temporary basis and has an outstanding principal amount that is lower than its original principal amount on its issue date;

“EURIBOR” means the Euro-zone interbank offered rate;

“Euroclear” means Euroclear Bank SA/NV;

“Event of Default” has the meaning specified in Condition 14(a) (in respect of Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes) and Condition 14(b) (in respect of Additional Tier 1 Notes), as the case may be;

“Extraordinary Resolution” has the meaning specified in the Trust Deed;

“Fallback Relevant Time” has the meaning specified in the applicable Pricing Supplement;

“Final Bank Determination Cut-off Date” means:

- (i) in the case of Floating Rate Notes, in any Interest Period, the date that is no later than three Business days prior to the Interest Determination Date relating to the next succeeding Interest Period; or
- (ii) in the case of Reset Notes, in any Reset Interest Period, the date that is no later than three Business Days prior to the Reset Interest Determination Date relating to the next succeeding Reset Interest Period;

“Final Redemption Amount” has the meaning specified in the applicable Pricing Supplement;

“First Reset Date” has the meaning specified in the applicable Pricing Supplement;

“First Reset Interest Period Fallback Yield” means the yield specified in the applicable Pricing Supplement;

“First Reset Interest Period” means the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Pricing Supplement, the Maturity Date (if any);

“First Reset Margin” has the meaning specified in the applicable Pricing Supplement;

“First Reset Rate of Interest” means, in respect of the First Reset Interest Period and, if applicable, subject to Condition 7(b)(ii) and Condition 7(d), the rate of interest determined by the Calculation Agent on the relevant Reset Interest Determination Date as the sum of the relevant Reset Reference Rate and the First Reset Margin, with such sum being converted (if Reset Reference Rate Conversion is specified as applicable in the applicable Pricing Supplement) from the Original Reset Reference Rate Payment Basis to a basis which matches the per annum frequency of Interest Payment Dates in respect of the Notes;

“Fixed Coupon Amount(s)” has the meaning specified in the applicable Pricing Supplement;

“H.15(519)” means the weekly statistical release designated as H.15(519), or any successor publication, published by the board of governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or such other page, section, successor site or publication as may replace it;

“Handelsbanken Group” means the Bank together with its Subsidiaries and other entities that are consolidated in the Bank’s calculation of its Common Equity Tier 1 Capital Ratio on a consolidated basis in accordance with the Relevant Rules;

“HIBOR” means the Hong Kong interbank offered rate;

“Higher Redemption Amount” has the meaning specified in the applicable Pricing Supplement;

“Higher Trigger Loss Absorbing Instrument” means, in respect of a Series of Additional Tier 1 Notes, a Loss Absorbing Instrument that is, or has been, subject to write down or conversion at a Common Equity Tier 1 Capital Ratio that is higher than the relevant Trigger Level specified for such Series of Additional Tier 1 Notes;

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Bank at its own expense;

“Initial Bank Determination Cut-off Date” means:

- (i) in the case of Floating Rate Notes, in any Interest Period, the date that is no later than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period; or
- (ii) in the case of Reset Notes, in any Reset Interest Period, the date that is no later than five Business Days prior to the Reset Interest Determination Date relating to the next succeeding Reset Interest Period;

“Initial Mid-Swap Rate” has the meaning specified in the applicable Pricing Supplement;

“Initial Period” means the period from (and including) the Interest Commencement Date to but (excluding) the First Reset Date;

“Initial Rate of Interest” has the meaning specified in the applicable Pricing Supplement;

“Interest Amount” has the meaning specified in Condition 7(c)(iv);

“Interest Commencement Date” has the meaning specified in the applicable Pricing Supplement;

“Interest Determination Date” has the meaning specified in the applicable Pricing Supplement or, if none is so specified:

- (i) if the Reference Rate is LIBOR (other than Sterling LIBOR or Euro LIBOR), the second London business day prior to the start of each Interest Period;
- (ii) if the Reference Rate is Sterling LIBOR, the first day of each Interest Period;
- (iii) if the Reference Rate is Euro LIBOR or EURIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period;
- (iv) if the Reference Rate is STIBOR, the second Stockholm business day prior to the start of each Interest Period;
- (v) if the Reference Rate is NIBOR, the second Oslo business day prior to the start of each Interest Period;
- (vi) if the Reference Rate is CIBOR, the first day of each Interest Period or the second Copenhagen business day prior to the start of each Interest Period;
- (vii) if the Reference Rate is HIBOR, the first day of each Interest Period; or
- (viii) if the Reference Rate is BBSW, the first Sydney business day of each Interest Period;

“Interest Payment Date”:

- (i) in the case of Fixed Rate Notes and Reset Notes, has the meaning specified in the applicable Pricing Supplement; and
- (ii) in the case of Floating Rate Notes, has the meaning specified in Condition 7(c)(i);

“Interest Period” means:

- (i) the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date; or
- (ii) where interest is required to be determined in respect of a period other than a full period under (i) above, such other period in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the Notes become due and payable in accordance with Condition 14, shall be the date on which the Notes become due and payable);

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes;

“ISDA Fallback Adjustment” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Issue Date” has the meaning specified in the applicable Pricing Supplement;

“Issue Price” has the meaning specified in the applicable Pricing Supplement;

“Junior Securities” means:

- (i) in respect of a Series of Senior Non-Preferred Notes, (A) the common shares and any preference shares of the Bank and (B) any securities or other obligations of the Bank ranking, or expressed to rank, junior to the Senior Non-Preferred Notes of such Series, including, for the avoidance of doubt, any Subordinated Notes, any Additional Tier 1 Notes and any other Subordinated Indebtedness;
- (ii) in respect of a Series of Subordinated Notes, (A) the common shares and any preference shares of the Bank and (B) any securities or other obligations of the Bank ranking, or expressed to rank, junior to the Subordinated Notes of such Series, including, for the avoidance of doubt, any Additional Tier 1 Notes; and
- (iii) in respect of a Series of Additional Tier 1 Notes, (A) the common shares and any preference shares of the Bank and (B) any securities or other obligations of the Bank ranking, or expressed to rank, junior to the Additional Tier 1 Notes of such Series;

“LIBOR” means the London interbank offered rate;

“Lock-out Period” means, with respect to an Interest Period, the period from, and including, the day following the Interest Determination Date (which shall be not less than three Relevant Business Days prior to the relevant Interest Payment Date and shall be not less than five Relevant Business Days without prior written approval of the Calculation Agent) for such Interest Period to (but excluding) (A) the Interest Payment Date for such Interest Period or (B) the date on which the relevant payment of interest falls due, if different;

“London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London;

“Long Maturity Note” means 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;

“Loss Absorbing Instrument” means, in respect of a Series of Additional Tier 1 Notes, at any time any instrument (other than the Additional Tier 1 Notes of such Series) issued directly or indirectly by the Bank or, as applicable, any other member of the Handelsbanken Group (i) which at such time qualifies as Additional Tier 1 Capital of either the Bank or the Handelsbanken Group (as the case may be) and (ii) which is subject to write down or conversion (as applicable) of the outstanding principal amount thereof (in accordance with its terms or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of either the Bank or the Handelsbanken Group (as the case may be) falling below a specified level;

“Loss Absorption Minimum Amount” has the meaning specified in the applicable Pricing Supplement;

“Maturity Date” has the meaning specified in the applicable Pricing Supplement;

“Maximum Distributable Amount” means any maximum distributable amount relating to the Bank and/or the Handelsbanken Group required to be calculated in accordance with Article 141 of the CRD Directive (as it may be amended or replaced from time to time) or any provisions of the Relevant Rules;

“Maximum Rate of Interest” has the meaning specified in the applicable Pricing Supplement;

“Maximum Reinstatement Amount” means, in respect of any Reinstatement of a Series of Additional Tier 1 Notes, the lower of:

- (i) if and to the extent Net Profit of the Handelsbanken Group is permitted to be used for the relevant Reinstatement under the Relevant Rules, the Net Profit of the Handelsbanken Group multiplied by the sum of the aggregate Original Principal Amount of the Additional Tier 1 Notes of such Series and the aggregate initial principal amount of all Written Down Loss Absorbing Instruments of the Handelsbanken Group and divided by the total Tier 1 Capital of the Handelsbanken Group as at the date of the relevant Reinstatement; and
- (ii) the Net Profit of the Bank multiplied by the sum of the aggregate Original Principal Amount of the Additional Tier 1 Notes of such Series and the aggregate initial principal amount of all Written Down Loss Absorbing Instruments of the Bank, and divided by the total Tier 1 Capital of the Bank as at the date of the relevant Reinstatement,

or any higher amount permissible pursuant to Relevant Rules;

“Measurement Date” means (i) 31st March, 30th June, 30th September and 31st December of each calendar year, (ii) each date when the Common Equity Tier 1 Capital Ratio is required to be calculated according to the Relevant Rules and (iii) each other date when the Common Equity Tier 1 Capital Ratio is calculated, as determined by the Bank;

“Mid-Market Swap Rate” means, subject as provided in Condition 7(d), if applicable, for any Reset Interest Period the mean of the bid and offered rates for the fixed leg of a fixed-for-floating interest rate swap transaction in the Specified Currency with a payment frequency equivalent to the Original Reset Reference Rate Payment Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent), expressed as a percentage rate per annum, which transaction (i) has a term equal to the relevant Reset Interest Period and commencing on the relevant Reset Date, (ii) has a notional amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Maturity (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

“Mid-Market Swap Rate Quotation” means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

“Mid-Swap Floating Leg Benchmark Rate” means, subject as provided in Condition 7(d) (if applicable), EURIBOR (if the Specified Currency is euro), LIBOR (if the Specified Currency is U.S. dollars or pounds sterling), CIBOR (if the Specified Currency is Danish Kroner), NIBOR (if the Specified Currency is Norwegian Kroner), STIBOR (if the Specified Currency is Swedish Kroner), HIBOR (if the Specified Currency is Hong Kong dollars), BBSW (if the Specified Currency is Australian dollars) or (in the case of any other Specified Currency) the benchmark rate most closely connected with such Specified Currency and selected by the Bank in its discretion;

“Mid-Swap Floating Leg Maturity” has the meaning specified in the applicable Pricing Supplement;

“Minimum Rate of Interest” has the meaning specified in the applicable Pricing Supplement;

“Minimum Redemption Amount” has the meaning specified in the applicable Pricing Supplement;

“MREL/TLAC Disqualification Event” means, in respect of a Series of Senior Preferred Notes or Senior Non-Preferred Notes, the determination by the Bank that, as a result of:

- (i) the implementation of any Applicable MREL/TLAC Regulations on or after the date of issue of the last Tranche of such Notes; or
- (ii) a change in any Applicable MREL/TLAC Regulations becoming effective on or after the date of issue of the last Tranche of such Notes,

all or part of the Outstanding Principal Amount of such Series of Notes will be excluded from the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL/TLAC Requirement (however called or defined by then Applicable MREL/TLAC Regulations) if the Bank and/or the Handelsbanken Group is/are then or, as the case may be, will be subject to such MREL/TLAC Requirement, such determination to be confirmed by the Bank in a certificate signed by two Authorised Signatories of the Bank and delivered to the Trustee, provided that a MREL/TLAC Disqualification Event shall not occur where such exclusion is or will be caused by (A) the remaining maturity of such Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL/TLAC Regulations, or (B) any applicable limits on the amount of “eligible liabilities” (or any equivalent or successor term) permitted or allowed to meet any MREL/TLAC Requirement(s) being exceeded;

“MREL/TLAC Eligible Liabilities” means “eligible liabilities” (or any equivalent or successor term) which are available to meet any MREL/TLAC Requirement (however called or defined by then Applicable MREL/TLAC Regulations) of the Bank and/or the Handelsbanken Group under Applicable MREL/TLAC Regulations;

“MREL/TLAC Requirement” means the total loss-absorbing capacity requirement and/or the minimum requirement for own funds and eligible liabilities, in each case which is or, as the case may be, will be, applicable to the Bank and/or the Handelsbanken Group;

“Net Profit” means (i) in respect of a financial year of the Bank, the unconsolidated net profit of the Bank and (ii) in respect of a financial year of the Handelsbanken Group, the consolidated net profit (excluding minority interests) of the Handelsbanken Group, in each case, as calculated and set out in the audited annual accounts of the Bank and the Handelsbanken Group for such financial year as adopted by the Bank’s shareholders’ general meeting;

“New York Fed’s Website” means the website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

“NIBOR” means the Norwegian interbank offered rate;

“Optional Redemption Amount” has the meaning specified in the applicable Pricing Supplement;

“Optional Redemption Date” has the meaning specified in the applicable Pricing Supplement;

“Original Calculation Amount” has the meaning specified in the definition of Calculation Amount;

“Original Reset Reference Rate Payment Basis” means annual, semi-annual, quarterly or monthly, as specified in the applicable Pricing Supplement, or such other payment basis as shall be specified in the applicable Pricing Supplement;

“Original Principal Amount” means, as the context requires:

- (i) in respect of a Note, the principal amount of such Note on its Issue Date; and
- (ii) in respect of a Series of Notes, the principal amount of the Notes of such Series on their Issue Date or Issue Dates;

“Original Reference Rate” means:

- (i) the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) of the Notes; or
- (ii) any Successor Reference Rate, Alternative Reference Rate or Benchmark Replacement (as applicable) which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 7(d) or Condition 7(e) (as applicable);

“Outstanding Principal Amount” means, as the context requires:

- (i) in respect of a Note which forms part of a Series of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, the Original Principal Amount of such



Note as may be reduced from time to time upon a partial redemption pursuant to Conditions 8(c) or 8(d), as applicable;

- (ii) in respect of a Series of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, the Original Principal Amount of the Notes of such Series as may be reduced from time to time upon a partial redemption pursuant to Condition 8(c) or 8(d), as applicable;
- (iii) in respect of a Note which forms part of a Series of Additional Tier 1 Notes, the Original Principal Amount of such Note as written down or reinstated from time to time pursuant to Condition 9 and/or as reduced upon a partial redemption pursuant to Conditions 8(c) or 8(d); and
- (iv) in respect of a Series of Additional Tier 1 Notes, the Original Principal Amount of such Series as written down or reinstated from time to time pursuant to Condition 9 and/or as reduced upon a partial redemption pursuant to Conditions 8(c) or 8(d);

“Own Funds” means:

- (i) in respect of the Bank, its Tier 1 Capital and Tier 2 Capital; and
- (ii) in respect of the Handelsbanken Group, its Tier 1 Capital and Tier 2 Capital;

“Parity Securities” means;

- (i) in respect of a Series of Subordinated Notes, (A) any subordinated debt instruments or securities of the Bank which are recognised as Tier 2 Capital of the Bank from time to time by the Relevant Regulator and (B) any securities or other obligations of the Bank which rank, or are expressed to rank, on a voluntary or involuntary liquidation (Sw. likvidation) or bankruptcy (Sw. konkurs) of the Bank pari passu with the Subordinated Notes of such Series; and
- (ii) in respect of a Series of Additional Tier 1 Notes, (A) any subordinated and undated debt instruments or securities of the Bank which are recognised as Additional Tier 1 Capital of the Bank from time to time by the Relevant Regulator and (B) any securities or other obligations of the Bank which rank, or are expressed to rank, on a voluntary or involuntary liquidation (Sw. likvidation) or bankruptcy (Sw. konkurs) of the Bank pari passu with the Additional Tier 1 Notes of such Series; and

“Payment Day”, unless otherwise specified in the applicable Pricing Supplement, means any day which (subject to Condition 18):

- (i) is 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) each Additional Financial Centre specified (other than the TARGET2 System) in the applicable Pricing Supplement;
- (ii) if “TARGET2 System” is specified as an Additional Financial Centre in the applicable Pricing Supplement, is a day on which the TARGET2 System is open; and

- (iii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open;

“Qualifying Additional Tier 1 Securities” means, in respect of a Series of Additional Tier 1 Notes, at any time, any securities, whether debt, equity, interests in limited partnerships or otherwise, issued by the Bank that:

- (i) (other than in the case of a change to the governing law of Condition 23 to Swedish law in order to ensure the effectiveness and enforceability of Condition 23) have terms not materially less favourable to Noteholders (as reasonably determined by the Bank) than the terms of the Notes of such Series prior to substitution or variation, as the case may be, provided that the Bank shall have provided a certification to such effect of two Authorised Signatories of the Bank to the Trustee prior to:
  - (A) in the case of a substitution of the Notes of such Series, the issue of the relevant securities; or
  - (B) in the case of a variation of the terms of the Notes of such Series, such variation, as the case may be,

save that the requirements in this paragraph (i) shall not apply to the extent that, following the occurrence of a Capital Event and only in circumstances where No Interest Cancellation Discretion is specified as applicable in the applicable Pricing Supplement, any substitution or variation (other than in the case of a change to the governing law of Condition 23 to Swedish law in order to ensure the effectiveness and enforceability of Condition 23) has the effect of removing, suspending or reducing the Bank’s loss of discretion under Condition 7(f)(iv) to cancel its obligation to make interest payments and/or removing, suspending or reducing the circumstances in which default in the payment of any principal or interest shall be an Event of Default (such circumstances being in the proviso to the second paragraph of Condition 14(b));

- (ii) include a ranking in right of payment at least equal to that of the Notes of such Series prior to such substitution or variation, as the case may be;
- (iii) have the same interest rate and Interest Payment Dates as those from time to time applying to the Notes of such Series prior to such substitution or variation, as the case may be;
- (iv) shall not, immediately following such substitution or variation, as the case may be, be subject to a Capital Event, a Tax Event and/or be required to pay additional amounts as described in Condition 8(b);
- (v) comply with the then current requirements of the Relevant Regulator in relation to Additional Tier 1 Capital; and
- (vi) are listed on a recognised stock exchange if the Notes of such Series were so listed immediately prior to such substitution or variation;

“Qualifying Senior Non-Preferred Securities” means, in respect of a Series of Senior Non-Preferred Notes, at any time, any securities issued by the Bank that:

- (i) (other than in the case of a change to the governing law of Condition 23 to Swedish law in order to ensure the effectiveness and enforceability of Condition 23) have terms not materially less favourable to Noteholders (as reasonably determined by the Bank) than the terms of the Notes of such Series prior to substitution or variation, as the case may be, provided that the Bank shall have provided a certification to such effect of two Authorised Signatories of the Bank to the Trustee prior to:
  - (A) in the case of a substitution of the Notes of such Series, the issue of the relevant securities; or
  - (B) in the case of a variation of the terms of the Notes of such Series, such variation, as the case may be;
- (ii) include a ranking in right of payment at least equal to that of the Notes of such Series prior to such substitution or variation, as the case may be;
- (iii) have the same Maturity Date and the same interest rate and Interest Payment Dates as those from time to time applying to the Notes of such Series prior to such substitution or variation, as the case may be;
- (iv) shall not, immediately following such substitution or variation, as the case may be, be subject to a MREL/TLAC Disqualification Event and/or be required to pay additional amounts as described in Condition 8(b);
- (v) comply with the then current requirements of the Applicable MREL/TLAC Regulations in relation to the relevant MREL/TLAC Requirement(s); and
- (vi) are listed on a recognised stock exchange if the Notes of such Series were so listed immediately prior to such substitution or variation;

“Qualifying Senior Preferred Securities” means, in respect of a Series of Senior Preferred Notes, at any time, any securities issued by the Bank that:

- (i) (other than in the case of a change to the governing law of Condition 23 to Swedish law in order to ensure the effectiveness and enforceability of Condition 23) have terms not materially less favourable to Noteholders (as reasonably determined by the Bank) than the terms of the Notes of such Series prior to substitution or variation, as the case may be, provided that the Bank shall have provided a certification to such effect of two Authorised Signatories of the Bank to the Trustee prior to:
  - (A) in the case of a substitution of the Notes of such Series, the issue of the relevant securities; or
  - (B) in the case of a variation of the terms of the Notes of such Series, such variation, as the case may be;
- (ii) include a ranking in right of payment at least equal to that of the Notes of such Series prior to such substitution or variation, as the case may be;
- (iii) have the same Maturity Date and the same interest rate and Interest Payment Dates as those from time to time applying to the Notes of such Series prior to such substitution or variation, as the case may be;

- (iv) shall not, immediately following such substitution or variation, as the case may be, be subject to a MREL/TLAC Disqualification Event and/or be required to pay additional amounts as described in Condition 8(b);
- (v) comply with the then current requirements of the Applicable MREL/TLAC Regulations in relation to the relevant MREL/TLAC Requirement(s); and
- (vi) are listed on a recognised stock exchange if the Notes of such Series were so listed immediately prior to such substitution or variation;

“Qualifying Subordinated Securities” means, in respect of a Series of Subordinated Notes, at any time, any securities, whether debt, equity, interests in limited partnerships or otherwise, issued by the Bank that:

- (i) (other than in the case of a change to the governing law of Condition 23 to Swedish law in order to ensure the effectiveness and enforceability of Condition 23) have terms not materially less favourable to Noteholders (as reasonably determined by the Bank) than the terms of the Notes of such Series prior to substitution or variation, as the case may be, provided that the Bank shall have provided a certification to such effect of two Authorised Signatories of the Bank to the Trustee prior to:
  - (A) in the case of a substitution of the Notes of such Series, the issue of the relevant securities; or
  - (B) in the case of a variation of the terms of the Notes of such Series, such variation, as the case may be;
- (ii) include a ranking in right of payment at least equal to that of the Notes of such Series prior to such substitution or variation, as the case may be;
- (iii) have the same Maturity Date and the same interest rate and Interest Payment Dates as those from time to time applying to the Notes of such Series prior to such substitution or variation, as the case may be;
- (iv) shall not, immediately following such substitution or variation, as the case may be, be subject to a Capital Event, a Tax Event and/or be required to pay additional amounts as described in Condition 8(b);
- (v) comply with the then current requirements of the Relevant Regulator in relation to Tier 2 capital; and
- (vi) are listed on a recognised stock exchange if the Notes of such Series were so listed immediately prior to such substitution or variation;

“Rate of Interest” means the rate or rates (expressed as a percentage rate per annum) of interest payable in respect of the Notes specified in the applicable Pricing Supplement or calculated or determined in accordance with the provisions of the Conditions and/or the applicable Pricing Supplement and shall include, *inter alia*, the Initial Rate of Interest, the First Reset Rate of Interest and the Subsequent Reset Rate of Interest, as applicable;

“Reference Banks” means, in the case of Condition 7(c)(ii)(B)(1), those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of Condition 7(c)(ii)(B)(2), those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared;

“Reference Bond” means, in relation to any Reset Interest Period, a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany), as selected by the Bank in its discretion, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to such Reset Interest Period;

“Reference Bond Quotation” means, in relation to a Reset Reference Bank and a Reset Interest Determination Date:

- (i) if Reference Bond is specified as the Reset Reference Rate in the applicable Pricing Supplement, the arithmetic mean, as determined by the Calculation Agent of the bid and offered yields for the relevant Reference Bond provided to the Calculation Agent by such Reset Reference Bank at approximately the Relevant Time on such Reset Interest Determination Date; or
- (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Pricing Supplement, the rate, as determined by the Calculation Agent, as being a yield-to-maturity based on the secondary market bid price of such Reset Reference Bank for the relevant Reset U.S. Treasury Security at approximately the Fallback Relevant Time on such Reset Interest Determination Date;

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

“Reference Price” has the meaning specified in the applicable Pricing Supplement;

“Reference Rate” means (i) LIBOR; (ii) EURIBOR; (iii) STIBOR; (iv) NIBOR; (v) CIBOR; (vi) HIBOR; (vii) BBSW; (viii) SOFR; or (ix) SONIA, in each case for the relevant period, as specified in the applicable Pricing Supplement or such other Reference Rate as shall be specified in the applicable Pricing Supplement, in each case, subject as provided in Condition 7(d) or Condition 7(e), as applicable;

“Regulated Entity” means any entity to which BRRD (or any other Swedish legislation relating to the Swedish Statutory Loss Absorption Powers) applies, which include certain credit institutions, investment firms, and certain of their parent or holding companies;

“Reinstatement” has the meaning specified in Condition 9(d);

“Reinstatement Amount” means, in respect of a Reinstatement of a Series of Additional Tier 1 Notes, the relevant amount, subject to the Maximum Reinstatement Amount, by which the Outstanding Principal Amount of each Additional Tier 1 Note of such Series in effect prior to such Reinstatement is to be reinstated on the relevant Reinstatement Effective Date and written up on the balance sheet of the Bank, as specified in the relevant Reinstatement Notice;

“Reinstatement Effective Date” means, in respect of a Reinstatement of a Series of Additional Tier 1 Notes, the date on which the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series is (in whole or in part) reinstated and written up on the balance sheet of the Bank, as specified in the relevant Reinstatement Notice;

“Reinstatement Notice” means, in respect of a Reinstatement of a Series of Additional Tier 1 Notes, the notice to be delivered by the Bank to the Noteholders as provided in Condition 9(e) specifying the relevant Reinstatement Amount in respect of such Series of Additional Tier 1 Notes and the relevant Reinstatement Effective Date in respect of such Series of Additional Tier 1 Notes;

“Reinstatement Procedure” means, in respect of a Reinstatement of a Series of Additional Tier 1 Notes, the procedure relating to Reinstatement set out in Condition 9(e);

“Relevant Amounts” means the Outstanding Principal Amount of the Notes, together with any accrued but unpaid interest and additional amounts (as described in Condition 13) due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority;

“Relevant Business Day” has the meaning specified in Condition 7(c)(ii)(C)(1);

“Relevant Date” means, in the case of a payment under the Notes:

- (i) the date on which such payment first becomes due; or
- (ii) if the full amount of the moneys payable has not been received by the Agent or the Trustee on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect shall have been given to the Noteholders in accordance with Condition 19;

“Relevant Financial Centre” means (i) London, in the case of a determination of LIBOR or SONIA; (ii) Brussels, in the case of a determination of EURIBOR; (iii) Stockholm, in the case of a determination of STIBOR; (iv) Oslo, in the case of a determination of NIBOR; (v) Copenhagen, in the case of a determination of CIBOR; (vi) Hong Kong, in the case of a determination of HIBOR; (vii) Sydney, in the case of a determination of BBSW or (viii) New York City, in the case of a determination of SOFR, as specified in the applicable Pricing Supplement, or such other Relevant Financial Centre as shall be specified in the applicable Pricing Supplement;

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

“Relevant Nominating Body” means, in respect of an Original Reference Rate:

- (i) the central bank for the currency to which such Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which such Original Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof;

“Relevant Regulator” means the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) and any successor thereto or replacement thereof or other authority having primary responsibility for the prudential oversight and supervision of the Bank;

“Relevant Reset Margin” means, in respect of a Reset Interest Period, whichever of the First Reset Margin or the Subsequent Reset Margin is applicable for the purpose of determining the Rate of Interest in respect of such Reset Interest Period;

“Relevant Resolution Authority” means the resolution or supervisory authority (as applicable) with the ability to exercise any Swedish Statutory Loss Absorption Powers in relation to the Bank;

“Relevant Rules” means the laws, regulations, requirements, guidelines and policies relating to capital adequacy in effect at the relevant time in Sweden including, without limitation, the BRRD (as implemented through the Swedish Resolutions Act (*Sw. lag (2015:1016) om resolution*)) and any subsequent regulation transposing or implementing the BRRD), and the CRD and those regulations, requirements, guidelines and policies relating to capital adequacy adopted by the Relevant Regulator and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Bank and/or the Handelsbanken Group), as well as any order implementing any of them;

“Relevant Screen Page” has the meaning specified in the applicable Pricing Supplement or such other page, section or other part as may replace it on the relevant information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of (i) in the case of Floating Rate Notes, displaying rates or prices comparable to the Reference Rate or, (ii) in the case of Reset Notes, displaying rates or yields (as the case may be) for the relevant Reset Reference Rate;

“Relevant Time” means (i) in the case of LIBOR, 11.00 a.m.; (ii) in the case of EURIBOR, 11.00 a.m.; (iii) in the case of STIBOR, 11.00 a.m.; (iv) in the case of NIBOR, 12.00 noon; (v) in the case of CIBOR, 11.00 a.m.; (vi) in the case of HIBOR, 11.00 a.m., (vii) in the case of BBSW, 10.15 a.m., in each case in the Relevant Financial Centre or (viii) in the case of Reset Notes and in all other cases, such other time as shall be specified in the applicable Pricing Supplement;

“Reset Date” means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

“Reset Interest Determination Date” means, in respect of a Reset Interest Period, the date specified as such in the applicable Pricing Supplement;

“Reset Interest Period” means the First Reset Interest Period or a Subsequent Reset Interest Period, as the case may be;

“Reset Interest Period Maturity Initial Mid-Swap Rate” has the meaning specified in the applicable Pricing Supplement;

“Reset Notes Interest Amount” has the meaning specified in Condition 7(b);

“Reset Reference Bank Rate” means, in relation to a Reset Interest Period and the Reset Interest Determination Date in relation to such Reset Interest Period, the rate (expressed as a percentage rate per annum and rounded, if necessary, to the fifth decimal place, with 0.000005 per cent. being rounded upwards) determined on the basis of the Reference Bond Quotations provided by the Reset Reference Banks to the Calculation Agent at:

- (i) if Reference Bond is specified as the Reset Reference Rate in the applicable Pricing Supplement, the Relevant Time; or
- (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Pricing Supplement, the Fallback Relevant Time,

in each case, on such Reset Interest Determination Date. If at least three such Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reset Reference Bank Rate for the relevant Reset Interest Period will be (A) in the case of each Reset Interest Period other than the First Reset Interest Period, the Reset Reference Bank Rate in respect of the immediately preceding Reset Interest Period or (B) in the case of the First Reset Interest Period, the First Reset Interest Period Fallback Yield;

“Reset Reference Banks” means:

- (i) if Mid-Swap Rate is specified as the Reset Reference Rate in the applicable Pricing Supplement, the principal office in the principal financial centre of the Specified Currency of five major banks in the swap market most closely connected with the relevant Reset Reference Rate as selected by the Bank in its discretion;
- (ii) if Reference Bond is specified as the Reset Reference Rate in the applicable Pricing Supplement, the principal office in the principal financial centre of the Specified Currency of five major banks which are primary government securities dealers or market makers in pricing corporate bond issues denominated in the Specified Currency as selected by the Bank in its discretion; or
- (iii) if CMT Rate is specified as the Reset Reference Rate in the applicable Pricing Supplement, the principal office in New York City of five major banks which are primary U.S. Treasury Securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars as selected by the Bank in its discretion;

“Reset Reference Rate” means in relation to a Reset Interest Determination Date and subject to Condition 7(b)(ii) and Condition 7(d), if applicable:

- (i) if Mid-Swap Rate is specified in the applicable Pricing Supplement:
  - (A) if Single Mid-Swap Rate is further specified in the applicable Pricing Supplement, the rate for swaps in the Specified Currency (expressed as a percentage rate per annum):
    - (a) with a term equal to the relevant Reset Interest Period; and
    - (b) commencing on the relevant Reset Date,
 which appears on the Relevant Screen Page; or
  - (B) if Mean Mid-Swap Rate is further specified in the applicable Pricing Supplement, the arithmetic mean (rounded, if necessary, to the fifth decimal place, with 0.000005 per cent. being rounded upwards) of the bid and offered swap rate quotations for swaps in the Specified Currency (expressed as a percentage rate per annum):
    - (a) with a term equal to the relevant Reset Interest Period; and
    - (b) commencing on the relevant Reset Date,



which appears on the Relevant Screen Page,

in either case, as at approximately the Relevant Time on such Reset Interest Determination Date, all as determined by the Calculation Agent; or

- (ii) if Reference Bond is specified in the applicable Pricing Supplement:
  - (A) if a Relevant Screen Page is specified in the applicable Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the fifth decimal place, with 0.000005 per cent. being rounded upwards) of the bid and offered yields of the relevant Reference Bond, as determined by the Calculation Agent by reference to the Relevant Screen Page at the Relevant Time on such Reset Interest Determination Date; or
  - (B) if (i) a Relevant Screen Page is so specified and such rate does not appear on the Relevant Screen Page at such Relevant Time on such Reset Interest Determination Date or (ii) a Relevant Screen Page is not so specified, the Reset Reference Bank Rate on such Reset Interest Determination Date; or
- (iii) if CMT Rate is specified in the applicable Pricing Supplement and if the Specified Currency is U.S. dollars, the rate which is equal to:
  - (A) the yield for U.S. Treasury Securities at “constant maturity” for a designated maturity which is equal or comparable to the duration of the relevant Reset Interest Period, as published in the H.15(519) under the caption “treasury constant maturities (nominal)”, as that yield is displayed on such Reset Interest Determination Date, on the Relevant Screen Page; or
  - (B) if the yield referred to in paragraph (A) above is not published by the Relevant Time on the Relevant Screen Page on such Reset Interest Determination Date, the yield for the U.S. Treasury Securities at “constant maturity” for a designated maturity which is equal or comparable to the duration of the relevant Reset Interest Period as published in H.15(519) under the caption “treasury constant maturities (nominal)” on such Reset Interest Determination Date; or
  - (C) if the yield referred to in paragraph (B) above is not published by the Fallback Relevant Time on such Reset Interest Determination Date, the Reset Reference Bank Rate on such Reset Interest Determination Date,

in each case, all as determined by the Calculation Agent;

“Reset U.S. Treasury Security” means, in relation to a Reset Interest Determination Date, the U.S. Treasury Security:

- (i) with a designated maturity which is equal or comparable to the duration of the relevant Reset Interest Period and a remaining term to maturity of no less than one year less than a maturity (the “Relevant Remaining Term to Maturity”) which is equal or comparable to the duration of the relevant Reset Interest Period; and
- (ii) which is in a principal amount equal to an amount that is representative for a single transaction in such U.S. Treasury Securities in the New York City market.

If two or more U.S. Treasury Securities have remaining terms to maturity no less than the Relevant Remaining Term to Maturity, the U.S. Treasury Security with the longer remaining

term to maturity will be used for the purposes of the relevant determination and if two or more U.S. Treasury Securities have remaining terms equally close to the duration of the Relevant Remaining Term to Maturity, the U.S. Treasury Security with the largest nominal amount outstanding will be used for the purposes of the relevant determination;

“Second Reset Date” has the meaning specified in the applicable Pricing Supplement;

“Senior Non-Preferred Amendment Legislation” means the second sentence of the first paragraph of section 18 of the Swedish Rights of Priority Act (*Sw. 18 § 1 st. andra meningen förmånsrättslagen (1970:979)*), as the same may be amended or replaced from time to time, which expressly provides for the possibility that, upon the insolvency of a Regulated Entity which is an issuer of debt securities, the obligations under certain unsubordinated and unsecured liabilities (the “Senior Non-Preferred Liabilities”) may, for the purpose of constituting MREL/TLAC Eligible Liabilities, rank below other unsubordinated and unsecured liabilities with higher priority ranking;

“Senior Non-Preferred Liabilities” has the meaning specified in the definition of Senior Non-Preferred Amendment Legislation;

“SOFR” means, in respect of any Relevant Business Day (“RBDx”), a reference rate equal to the daily Secured Overnight Financing Rate for such RBDx as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed’s Website or such other Relevant Screen Page as specified in the applicable Pricing Supplement, in each case at or about 3.00 p.m. (New York City time) on the Relevant Business Day immediately following RBDx;

“SONIA” means, in respect of any Relevant Business Day (“RBDy”), a reference rate equal to the daily Sterling Overnight Index Average rate for such RBDy as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) in each case at or about 12.00 p.m. (London time) on the Relevant Business Day immediately following RBDy;

“Specified Currency” has the meaning specified in the applicable Pricing Supplement;

“Specified Denomination” has the meaning specified in the applicable Pricing Supplement;

“STIBOR” means the Stockholm interbank offered rate;

“Subordinated Indebtedness” means any obligation of the Bank, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank to the claims of depositors and all other unsubordinated creditors of the Bank (for the avoidance of doubt, excluding any Senior Non Preferred Liabilities);

“Subsequent Reset Date” has the meaning specified in the applicable Pricing Supplement;

“Subsequent Reset Interest Period” means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date or the Maturity Date (if any), as the case may be;

“Subsequent Reset Margin” has the meaning specified in the applicable Pricing Supplement;

“Subsequent Reset Rate of Interest” means, in respect of any Subsequent Reset Interest Period and, if applicable, subject to Condition 7(b)(ii) and Condition 7(d), the rate of interest determined by the Agent on the relevant Reset Interest Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Reset Margin, with such sum being converted (if Reset Reference Rate Conversion is specified as applicable in the applicable Pricing Supplement) from the Original Reset Reference Rate Payment Basis to a basis which matches the per annum frequency of Interest Payment Dates in respect of the Notes;

“Subsidiary” has the meaning provided in the Swedish Companies Act (*Aktiebolagslagen (ABL)* (2005:551));

“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;

“Successor Reference Rate” means the rate that the Bank, following consultation with the relevant Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

“Swedish Statutory Loss Absorption Powers” means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Sweden, relating to (i) the transposition of the BRRD (including but not limited to the Resolution Act (*Sw. lag* (2015:1016) *om resolution*) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Bank (or any affiliate of the Bank) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Bank or any other person (or suspended for a temporary period);

“TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto);

“Tax Event” means:

- (i) the receipt by the Bank and the Trustee of an opinion of counsel in the Kingdom of Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change which is announced on or after the Issue Date of the Notes or, if the Notes comprise more than one Tranche, the Issue Date of the first Tranche:
  - (A) the Bank is, or will be, subject to additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes which were not applicable at the relevant Issue Date; or
  - (B) the treatment of any of the Bank’s items of income or expense with respect to the Notes 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 and that subjects the Bank to additional taxes, duties or other governmental charges or civil liabilities which were not applicable at the relevant Issue Date; and
- (ii) the determination by the Bank that such additional taxes, duties or other governmental charges or civil liabilities are material in the context of the Notes or the tax treatment thereof or in connection therewith;

“Tax Law Change” means:

- (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 Administrative Action; or
- (iii) any amendment to, clarification of, or change in the official position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative 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 action, amendment, clarification or change is known;

“Tier 1 Capital” means the Tier 1 capital of either the Bank or the Handelsbanken Group (as the case may be), for the purposes and within the meaning of the Relevant Rules;

“Tier 2 Capital” means the Tier 2 capital of either the Bank or the Handelsbanken Group (as the case may be), for the purposes and within the meaning of the Relevant Rules;

“Trigger Event”, in respect of a Series of Additional Tier 1 Notes, shall occur where the Common Equity Tier 1 Capital Ratio of the Bank or the Handelsbanken Group, as the case may be, as at any Measurement Date is less than the relevant Trigger Level in respect of such Series of Additional Tier 1 Notes;

“Trigger Level” means, in respect of a Series of Additional Tier 1 Notes, the relevant percentage specified for the Bank and/or the Handelsbanken Group, as applicable, in the applicable Pricing Supplement;

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment;

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

“U.S. Treasury Securities” means securities that are direct obligations of the United States Treasury, issued other than on a discount basis;

“Write Down” means, in respect of a Series of Additional Tier 1 Notes, a write down of the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series (in whole or in part, as applicable) in accordance with the Write Down Procedure;

“Write Down Amount” means, in respect of a Write Down of a Series of Additional Tier 1 Notes, the amount by which, on the relevant Write Down Effective Date, the Outstanding Principal Amount of each Additional Tier 1 Note of such Series is to be written down *pro rata* to the aggregate Outstanding Principal Amount of all the Additional Tier 1 Notes of such Series then outstanding, which shall be:

- (i) the amount (together with (A) the prior write down or conversion, to the extent possible, of any Higher Trigger Loss Absorbing Instruments and (B) the *pro rata* write down or conversion, to the extent possible, of any other Equal Trigger Loss Absorbing Instruments) that would be sufficient to restore the Common Equity Tier 1 Capital Ratio of the Bank and/or the Handelsbanken Group (as applicable) to at least the relevant Trigger Level in respect of such Series of Additional Tier 1 Notes (but without taking into account for these purposes any further write down or conversion of any Equal Trigger Loss Absorbing Instruments in accordance with their terms by any amount greater than the *pro rata* amount necessary to so restore the Common Equity Tier 1 Capital Ratio of the Bank and/or the Handelsbanken Group (as applicable) to the relevant Trigger Level); or
- (ii) if that Write Down (together with (A) the prior write down or conversion, to the extent possible, of any Higher Trigger Loss Absorbing Instruments and (B) the *pro rata* write down or conversion, to the extent possible, of any other Equal Trigger Loss Absorbing Instruments) would be insufficient to restore the Common Equity Tier 1 Capital Ratio of the Bank and/or the Handelsbanken Group (as applicable) to the relevant Trigger Level in respect of such Series of Additional Tier 1 Notes, or the Common Equity Tier 1 Capital Ratio of the Bank and/or the Handelsbanken Group (as applicable) is not capable of being so restored, the amount necessary to reduce the Outstanding Principal Amount of each of the Additional Tier 1 Notes of such Series to the Loss Absorption Minimum Amount,

any such amount being considered to be a conditional capital contribution (*Sw. villkorat kapitaltillskott*);

“Write Down Effective Date” means, in respect of a Write Down of a Series of Additional Tier 1 Notes, the date on which such Write Down shall take place, or has taken place, as applicable;

“Write Down Notice” means, in respect of a Write Down of a Series of Additional Tier 1 Notes, the notice to be delivered by the Bank to the Noteholders in accordance with Condition 9(b) specifying (i) that a Trigger Event has or had been deemed to have occurred, (ii) the relevant Write Down Effective Date or expected Write Down Effective Date and (iii) if practicable, the relevant Write Down Amount;

“Write Down Procedure” means, in respect of a Series of Additional Tier 1 Notes, the write down procedure set out in Condition 9(c); and

“Written Down Loss Absorbing Instruments” means, in respect of a Series of Additional Tier 1 Notes, at any time, any Loss Absorbing Instrument which, immediately prior to the relevant Reinstatement, has an outstanding principal amount lower than the principal amount that it was issued with due to such principal amount having been written down (but not as a result of a conversion).

### **3. Status of Senior Preferred Notes**

This Condition 3 applies only to Senior Preferred Notes and references to “Notes” and “Coupons” in this Condition 3 shall be construed accordingly.

The Notes and the relative Coupons (if any) constitute unconditional and unsecured obligations of the Bank and rank:

- (i) *pari passu* without any preference among Notes of the same Series;

- (ii) at least *pari passu* in right of payment with all other present or future outstanding unsubordinated obligations (other than indebtedness entitled to preference under Swedish law) of the Bank; and
- (iii) senior in right of payment to holders of all present or future outstanding Senior Non-Preferred Liabilities and to all present and future outstanding subordinated obligations of the Bank.

No Noteholder who in the event of the liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank is indebted to the Bank shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Bank in respect of the Notes (including any damages awarded for breach of any obligations under the Conditions, if any are payable) held by such Noteholder.

#### **4. Status and Subordination of Senior Non-Preferred Notes**

This Condition 4 applies only to Senior Non-Preferred Notes and references to “Notes” and “Coupons” in this Condition 4 shall be construed accordingly.

The Notes and the relative Coupons (if any) constitute unconditional and unsecured obligations of the Bank and rank:

- (i) *pari passu* without any preference among Notes of the same Series;
- (ii) *pari passu* in right of payment with holders of all other present or future outstanding Senior Non-Preferred Liabilities of the Bank;
- (iii) senior in right of payment to holders of all present or future outstanding Junior Securities; and
- (iv) junior in right of payment to all present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank and (c) other unsubordinated creditors of the Bank that are not creditors in respect of Senior Non-Preferred Liabilities.

No Noteholder who in the event of the liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank is indebted to the Bank shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Bank in respect of the Notes (including any damages awarded for breach of any obligations under the Conditions, if any are payable) held by such Noteholder.

#### **5. Status and Subordination of Subordinated Notes**

This Condition 5 applies only to Subordinated Notes and references to “Notes” and “Coupons” in this Condition 5 shall be construed accordingly.

The Notes and the relative Coupons constitute unsecured, subordinated obligations of the Bank.

In the event of the voluntary or involuntary liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank, the rights of the holders of the Notes to payments of the then Outstanding Principal Amount of the Notes and any other amounts payable in respect of the Notes (including any accrued interest or damages awarded for breach of any obligations under the Conditions), will rank:

- (i) *pari passu* without any preference among Notes of the same Series;

- (ii) at least *pari passu* in right of payment with holders of all present or future outstanding Parity Securities;
- (iii) senior in right of payment to holders of all present or future outstanding Junior Securities; and
- (iv) junior in right of payment to all present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank, (c) other unsubordinated creditors of the Bank and creditors of the Bank in respect of Senior Non-Preferred Liabilities and (d) subordinated creditors of the Bank whose right of payment ranks, or is expressed to rank, senior to the right of payment of the holders of the Notes of such Series.

No Noteholder who in the event of the liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank is indebted to the Bank shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Bank in respect of the Notes (including any damages awarded for breach of any obligations under the Conditions, if any are payable) held by such Noteholder.

## **6. Status and Subordination of Additional Tier 1 Notes**

This Condition 6 applies only to Additional Tier 1 Notes and references to “Notes” and “Coupons” in this Condition 6 shall be construed accordingly.

The Notes and the relative Coupons constitute unsecured, subordinated obligations of the Bank.

In the event of the voluntary or involuntary liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank, the rights of the holders of the Notes to payments of the then Outstanding Principal Amount of the Notes (which shall be reduced by any relevant Write Down in respect of which a Trigger Event has occurred but in respect of which the relevant Write Down Effective Date has not yet occurred) and any other amounts payable in respect of the Notes (including, if applicable, any accrued and uncanceled interest or damages awarded for breach of any obligations under the Conditions), will rank:

- (i) *pari passu* without any preference among Notes of the same Series;
- (ii) at least *pari passu* in right of payment with payments to holders of all present or future outstanding Parity Securities;
- (iii) senior in right of payment to holders of all present or future outstanding Junior Securities; and
- (iv) junior in right of payment to all present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank, (c) other unsubordinated creditors of the Bank and creditors of the Bank in respect of Senior Non-Preferred Liabilities and (d) creditors of the Bank in respect of Subordinated Indebtedness (other than Parity Securities and Junior Securities).

No Noteholder who in the event of the liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Bank is indebted to the Bank shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Bank in respect of the Notes (including any damages awarded for breach of any obligations under the Conditions, if any are payable) held by such Noteholder.

## **7. Interest**

### **(a) *Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (if any).

If the Notes are in definitive form, except:

- (i) as provided in the applicable Pricing Supplement; or
- (ii) in the case of Additional Tier 1 Notes where the Calculation Amount has been adjusted as described in the definition thereof,

the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Save in the case of Additional Tier 1 Notes where the Calculation Amount has been adjusted as described in the definition thereof, payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount(s) so specified.

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

- (i) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (ii) 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
- (iii) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Unless the applicable Pricing Supplement specifies that the Business Day Convention is “adjusted”, any such adjustment to an Interest Payment Date shall not affect the amount of interest payable in respect of a Fixed Rate Note and, for the purposes of the determination of any amount in respect of interest and the applicable Day Count Fraction, the number of days in the relevant period shall be calculated on the basis that no adjustment has been made to the relevant Interest Payment Date.

Except in the case of:

- (i) Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes in definitive form; and
- (ii) Additional Tier 1 Notes in definitive form where the Calculation Amount has not been adjusted as described in the definition thereof,



in either case, where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a global Note, the aggregate Outstanding Principal Amount of the Fixed Rate Notes represented by such global Note; or
- (ii) 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.

Except in the case of Additional Tier 1 Notes in definitive form, 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 the case of Additional Tier 1 Notes in definitive form, where the Specified Denomination of a Fixed Rate Note is a multiple of the Original Calculation Amount, the amount of interest payable in respect of such Note in definitive form shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Original Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In the case of a Series of Additional Tier 1 Notes, if, at any time pursuant to Condition 9, the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series are written down and/or reinstated, as applicable, during an Interest Period, the Calculation Amount will be adjusted by the Agent as of the date of such write down or reinstatement to reflect the resulting Outstanding Principal Amount so that the relevant amount of interest is determined by reference to such Calculation Amount as adjusted from time to time, all as determined by the Agent.

(b) ***Interest on Reset Notes***

(i) *Accrual of Interest*

Each Reset Note bears interest on its Outstanding Principal Amount:

- (a) from (and including) the Initial Period, at the Initial Rate of Interest;
- (b) for the First Reset Interest Period, at the First Reset Rate of Interest; and
- (c) for each subsequent Reset Interest Period thereafter (if any) to (but excluding) the Maturity Date (if any), at the relevant Subsequent Reset Rate of Interest.

Interest will be payable, in each case, in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (if any).

If the Notes are in definitive form, except:

- (a) as provided in the applicable Pricing Supplement; or

- (b) in the case of Additional Tier 1 Notes where the Calculation Amount has been adjusted as described in the definition thereof,

the amount of interest payable on each Interest Payment Date in respect of each Interest Period falling in the Initial Period will amount to the Fixed Coupon Amount. Save in the case of Additional Tier 1 Notes where the Calculation Amount has been adjusted as described in the definition thereof, payments of interest on the first Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount(s) so specified.

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

- (a) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (b) 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
- (c) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Unless the applicable Pricing Supplement specifies that the Business Day Convention is “adjusted”, any such adjustment to an Interest Payment Date shall not affect the amount of interest payable in respect of a Reset Note and, for the purposes of the determination of any amount in respect of interest and the applicable Day Count Fraction, the number of days in the relevant period shall be calculated on the basis that no adjustment has been made to the relevant Interest Payment Date.

The Calculation Agent will at or as soon as practicable after each time at which a Rate of Interest in respect of a Reset Interest Period is to be determined, determine the relevant Rate of Interest for such Reset Interest Period and (if the Calculation Agent is a party other than the Agent) will immediately notify the Agent of the relevant Rate of Interest for such Reset Interest Period.

Except in the case of:

- (A) Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes in definitive form; and
- (B) Additional Tier 1 Notes in definitive form where the Calculation Amount has not been adjusted as described in the definition thereof,

in either case where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, the Agent will calculate the amount of interest (the “Reset Notes Interest Amount”) payable on the Reset Notes for the relevant Interest Period by applying the relevant Rate of Interest to:

- (a) in the case of Reset Notes which are represented by a global Note, the aggregate Outstanding Principal Amount of the Reset Notes represented by such global Note; or
- (b) in the case of Reset 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.

Except in the case of Additional Tier 1 Notes in definitive form, where the Specified Denomination of a Reset Note in definitive form is a multiple of the Calculation Amount, the Reset Notes 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 the case of Additional Tier 1 Notes in definitive form, where the Specified Denomination of a Reset Note is a multiple of the Original Calculation Amount, the amount of interest payable in respect of such Note in definitive form shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Original Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In the case of a Series of Additional Tier 1 Notes, if, at any time pursuant to Condition 9, the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series are written down and/or reinstated, as applicable, during an Interest Period, the Calculation Amount will be adjusted by the Agent as of the date of such write down or reinstatement to reflect the resulting Outstanding Principal Amount so that the relevant Reset Note Interest Amount is determined by reference to such Calculation Amount as adjusted from time to time, all as determined by the Agent.

(ii) *Fallbacks*

If the Reset Reference Rate is specified in the applicable Pricing Supplement as Mid-Swap Rate and if on any Reset Interest Determination Date, the Relevant Screen Page is not available or the Reset Reference Rate does not appear on the Relevant Screen Page as of the Relevant Time on such Reset Interest Determination Date, the Rate of Interest applicable to the Notes in respect of each Interest Period falling in the relevant Reset Interest Period will, subject as provided in Condition 7(d), as applicable, be determined by the Calculation Agent on the following basis:

- (a) the Bank shall request each of the Reset Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Relevant Time on the Reset Interest Determination Date in question;
- (b) if at least three of the Reset Reference Banks provide the Calculation Agent (at the request of the Bank) with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Interest Period will be equal to the sum of (A) the arithmetic mean (rounded, if necessary, to the fifth decimal place, with 0.000005 per cent. being rounded upwards) of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) and (B) the Relevant Reset Margin, all as determined by the Calculation Agent;
- (c) if only two relevant quotations are provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Interest Period will be equal to the sum of (A) the arithmetic mean (rounded as aforesaid) of the relevant quotations provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent;

- (d) if only one relevant quotation is provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Interest Period will be equal to the sum of (A) the relevant quotation provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent; and
- (e) if none of the Reset Reference Banks provides the Calculation Agent (at the request of the Bank) with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) will be equal to the sum of (A) the relevant Reset Reference Rate determined on the last preceding Reset Interest Determination Date and (B) the Relevant Reset Margin or, in the case of the first Reset Interest Determination Date, the First Reset Rate of Interest will be equal to the sum of:
  - (x) if Initial Mid-Swap Rate Final Fallback is specified in the applicable Pricing Supplement as being applicable (aa) the Initial Mid-Swap Rate and (bb) the Relevant Reset Margin;
  - (y) if Reset Interest Maturity Initial Mid-Swap Rate Final Fallback is specified in the applicable Pricing Supplement as being applicable, (aa) the Reset Interest Period Maturity Initial Mid-Swap Rate and (bb) the Relevant Reset Margin; or
  - (z) if Last Observable Mid-Swap Rate Final Fallback is specified in the applicable Pricing Supplement as being applicable, (aa) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Interest Period which appears on the Relevant Screen Page and (bb) the Relevant Reset Margin,

all as determined by the Calculation Agent (taking into consideration all available information that it in good faith deems relevant),

as specified in the applicable Pricing Supplement.

(iii) *Notification of Rate of Interest and Reset Notes Interest Amounts*

In respect of each Reset Interest Period, the Calculation Agent will cause the Rate of Interest in respect of such Reset Interest Period and each Reset Notes Interest Amount for each Interest Period falling in such Reset Interest Period to be notified to the Bank, the Trustee and any stock exchange or listing authority on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 19 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Reset Notes Interest Amount so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice (A) in the event of an extension or shortening of the Interest Period or (B) in the case of a Reset Notes Interest Amount for a Series of Additional Tier 1 Notes, if, pursuant to Condition 9, the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series are written down and/or reinstated, as applicable, during an Interest Period. Any such determination and/or amendment will be promptly notified to each stock exchange or listing authority on which the relevant Reset Notes are for the time being listed, to the Trustee and, in accordance with Condition 19, to the Noteholders.

(c) ***Interest on Floating Rate Notes***

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (a) the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year specified in the applicable Pricing Supplement; or
- (b) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, 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 Pricing Supplement 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.

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

- (1) in any case where Specified Periods are specified in accordance with Condition 7(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date; 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.

(ii) *Rate of Interest*

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

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the

applicable Pricing Supplement) the Margin. For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as “Calculation Agent” (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:—

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

If the Floating Rate Option is not available (for any reason whatsoever), where the 2006 ISDA Definitions state that the determination of the Floating Rate Option will be pursuant to any requirement for the Calculation Agent to request quotes from Reference Banks, Reference Dealers or major banks pursuant to the 2006 ISDA Definitions, such requirement to make requests for quotations for rates from, and the provision of quotations for rates by, the requisite number of Reference Banks, Reference Dealers or major banks may be effected by reference to and using the quotations or tradable market prices which were most recently published by such Reference Banks, Reference Dealers or major banks. If the fallback as set out in the definition of the Floating Rate Option pursuant to the 2006 ISDA Definitions does not produce a result, the Calculation Agent shall determine the rate at such time and by reference to such sources or methods as the Bank determines appropriate.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Floating Rate Option”, “Designated Maturity”, “Reference Banks”, Reference Dealers” and “Reset Date” have the meanings given to those terms in the ISDA Definitions. Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes – Term Rate

Where Screen Rate Determination and Term Rate are both specified in the applicable Pricing Supplement as being applicable, the Rate of Interest for each Interest Period will, subject as provided below, be either:—

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

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

The Agency Agreement provides that if the Relevant Screen Page is not available or if in the case of Condition 7(c)(ii)(B)(1) above, no such offered quotation appears or, in the case of Condition 7(c)(ii)(B)(2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph the Bank shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time in the Relevant Financial Centre on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin, all as determined by the Calculation Agent.

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

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

(C) Screen Rate Determination for Floating Rate Notes – Overnight Rate

Where Screen Rate Determination and Overnight Rate are both specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the applicable Pricing Supplement will also specify the Calculation Method either as Compounded Daily Rate (in which case the provisions of paragraph

(1) below shall apply) or Weighted Average Rate (in which case the provisions of paragraph (2) below shall apply).

(1) Calculation Method – Compounded Daily Rate

Where the applicable Pricing Supplement specifies the Calculation Method as Compounded Daily Rate, the Rate of Interest for an Interest Period will, subject to Condition 7(d) or Condition 7(e), as applicable and as provided below, be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin, where:

“Compounded Daily Reference Rate” means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate – being either SONIA or SOFR, as specified in the applicable Pricing Supplement and further described below – as the reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date (i) as further specified in the applicable Pricing Supplement; (ii) (if “Index Determination” is specified as being applicable in the applicable Pricing Supplement) by reference to the screen rate or index administered by the administrator of the applicable Reference Rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the relevant Interest Determination Date, as further specified in the applicable Pricing Supplement; or (iii) (if “Index Determination” is specified as being not applicable in the applicable Pricing Supplement or “Index Determination” is specified as being applicable in the applicable Pricing Supplement but such screen rate or index is not available at the relevant time on the relevant Interest Determination Date), in accordance with the relevant following formula (and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

Observation Shift

where “Observation Shift” is specified as the Observation Method in the applicable Pricing Supplement:

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

where:

- “D” is the number specified in the applicable Pricing Supplement;
- “d” is, for a relevant Observation Period, the number of calendar days in such Observation Period;
- “d<sub>o</sub>” is, for a relevant Observation Period, the number of Relevant Business Days in such Observation Period;
- “i” is, for a relevant Observation Period, a series of whole numbers from one to d<sub>o</sub>, each representing a Relevant Business Day in chronological order from (and including) the first Relevant Business Day in such Observation Period;
- “RBD” means a “Relevant Business Day”, being:



- (a) if “SONIA” is specified in the applicable Pricing Supplement as the applicable Reference Rate, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London; or
- (b) if “SOFR” is specified in the applicable Pricing Supplement as the applicable Reference Rate, a U.S. Government Securities Business Day;

“ $n_i$ ” for any Relevant Business Day “ $i$ ” in a relevant Observation Period, means the number of calendar days from (and including) such Relevant Business Day “ $i$ ” to (but excluding) the following Relevant Business Day;

“Observation Period” means, in respect of a relevant Interest Period, the period from (and including) the date falling “ $p$ ” Relevant Business Days prior to the first day of such Interest Period to (but excluding) the date which is “ $p$ ” Relevant Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “ $p$ ” Relevant Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“ $p$ ” means, for a relevant Interest Period, the number of Relevant Business Days specified as the Observation Shift Period in the applicable Pricing Supplement (or, if no such number is specified, five Relevant Business Days), provided that “ $p$ ” shall not be less than three Relevant Business Days at any time and shall not be less than five Relevant Business Days without prior written approval of the Calculation Agent;

“ $r$ ” means, in respect of any Relevant Business Day, (if “SONIA” is specified in the applicable Pricing Supplement as the applicable Reference Rate) the applicable SONIA rate in respect of such Relevant Business Day or (if “SOFR” is specified in the applicable Pricing Supplement as the applicable Reference Rate) the applicable SOFR rate in respect of such Relevant Business Day; and

“ $r_i$ ” means, for any Relevant Business Day, the applicable SONIA rate or SOFR rate (as applicable) as set out in the definition of “ $r$ ” above in respect of the such Relevant Business Day.

### Lag

where “Lag” is specified as the Observation Method in the applicable Pricing Supplement:

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

where:

“ $D$ ” is the number specified in the applicable Pricing Supplement;

“d”	is, for a relevant Interest Period, the number of calendar days in such Interest Period;
“do”	is, for a relevant Interest Period, the number of Relevant Business Days in the relevant Interest Period;
“i”	is, for a relevant Interest Period, a series of whole numbers from one to d0, each representing a Relevant Business Day in chronological order from (and including) the first Relevant Business Day in such Interest Period;
“RBD”	means a “Relevant Business Day”, being: <ul style="list-style-type: none"> <li>(a) if “SONIA” is specified in the applicable Pricing Supplement as the applicable Reference Rate, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London; or</li> <li>(b) if “SOFR” is specified in the applicable Pricing Supplement as the applicable Reference Rate, a U.S. Government Securities Business Day;</li> </ul>
“ni”	for any Relevant Business Day “i” in a relevant Interest Period, means the number of calendar days from (and including) such Relevant Business Day “i” to (but excluding) the following Relevant Business Day;
“p”	means the number of Relevant Business Days included in the Lag Look-Back Period specified in the applicable Pricing Supplement (or, if no such number is specified, five Relevant Business Days), provided that “p” shall not be less than three Relevant Business Days at any time and shall not be less than five Relevant Business Days without prior written approval of the Calculation Agent;
“r”	means, in respect of any Relevant Business Day, (if “SONIA” is specified in the applicable Pricing Supplement as the applicable Reference Rate) the applicable SONIA rate in respect of such Relevant Business Day or (if “SOFR” is specified in the applicable Pricing Supplement as the applicable Reference Rate) the applicable SOFR rate in respect of such Relevant Business Day; and
“ri-pBD”	means, for any Relevant Business Day “i” in the relevant Interest Period, the applicable SONIA rate or SOFR rate (as applicable) as set out in the definition of “r” above in respect of the Relevant Business Day falling “p” Relevant Business Days prior to the applicable Relevant Business Day “i”.

#### Lock-out

where “Lock-out” is specified as the Observation Method in the applicable Pricing Supplement:

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

where:

- “D” is the number specified in the applicable Pricing Supplement;
- “d” is, for a relevant Interest Period, the number of calendar days in such Interest Period;
- “d<sub>0</sub>” is, for a relevant Interest Period, the number of Relevant Business Days in such Interest Period;
- “i” is, for a relevant Interest Period, a series of whole numbers from one to d<sub>0</sub>, each representing a Relevant Business Day in chronological order from (and including) the first Relevant Business Day in such Interest Period;
- “RBD” means a “Relevant Business Day”, being:
- (a) if “SONIA” is specified in the applicable Pricing Supplement as the applicable Reference Rate, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London; or
  - (b) if “SOFR” is specified in the applicable Pricing Supplement as the applicable Reference Rate, a U.S. Government Securities Business Day;
- “n<sub>i</sub>” for any Relevant Business Day “i” in a Relevant Interest Period, means the number of calendar days from (and including) such Relevant Business Day “i” (but excluding) the following Relevant Business Day;
- “r” means:
- (a) in respect of any Relevant Business Day “i” that is a Reference Day, (if “SONIA” is specified in the applicable Pricing Supplement as the applicable Reference Rate) the applicable SONIA rate in respect of the Relevant Business Day immediately preceding such Reference Day or (if “SOFR” is specified in the applicable Pricing Supplement as the applicable Reference Rate) the applicable SOFR rate in respect of the Relevant Business Day immediately preceding such Reference Day, and
  - (b) in respect of any Relevant Business Day “i” that is not a Reference Day (being a Relevant Business Day in the Lock-out Period), (if “SONIA” is specified in the applicable Pricing Supplement as the applicable Reference Rate) the applicable SONIA rate in respect of the Relevant Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date) or (if “SOFR” is specified in the applicable Pricing Supplement as the applicable Reference Rate), the applicable SOFR rate in respect of the Relevant Business Day immediately preceding

the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date); and

“ $r_i$ ” means the applicable SONIA rate or SOFR rate (as applicable) as set out in the definition of “ $r$ ” above for the applicable Relevant Business Day “ $i$ ”.

(2) Calculation Method – Weighted Average Rate

Where the applicable Pricing Supplement specifies the Calculation Method as Weighted Average Rate, the Rate of Interest for an Interest Period will, subject to Condition 7(d) or Condition 7(e), as applicable and as provided below, be the Weighted Average Reference Rate plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin, where:

“Weighted Average Reference Rate” means, as calculated by the Calculation Agent as at the relevant Interest Determination Date, in accordance with the following subparagraphs (and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

- (a) where ‘Lag’ is specified as the Observation Method in the applicable Pricing Supplement, the sum of the Reference Rates in respect of each calendar day during the relevant Observation Period divided by the number of calendar days in the relevant Observation Period (and, for these purposes, the Reference Rate in respect of any such calendar day which is not a Relevant Business Day shall be deemed to be the Reference Rate in respect of the Relevant Business Day immediately preceding such calendar day); or
- (b) where ‘Lock-out’ is specified as the Observation Method in the applicable Pricing Supplement, the sum of the Reference Rates in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period (and, for these purposes, the Reference Rate in respect of any such calendar day which is not a Relevant Business Day shall, subject to the following proviso, be deemed to be the Reference Rate in respect of the Relevant Business Day immediately preceding such calendar day), *provided* however that for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate will be deemed to be the Reference Rate in respect of the Relevant Business Day immediately preceding the Interest Determination Date for the relevant Interest Period; and

“Observation Period” means, in respect of a relevant Interest Period, the period from (and including) the date falling “ $p$ ” Relevant Business Days prior to the first day of such Interest Period to (but excluding) the date which is “ $p$ ” Relevant Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “ $p$ ” Relevant Business Days prior to such earlier date, if any, on which the Notes become due and payable).

(D) Fallback provisions – SONIA

Where SONIA is specified in the applicable Pricing Supplement as the applicable Reference Rate, then if, in respect of any Relevant Business Day on which an applicable SONIA rate is required to be determined, such SONIA rate is not available on the Relevant Screen Page (and has not otherwise been published by the relevant

authorised distributors), then (unless the Agent has been notified of any Successor Reference Rate or Alternative Reference Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 7(d), if applicable) the SONIA rate in respect of such Relevant Business Day shall be:

- (a) the sum of (1) the Bank of England's Bank Rate (the "Bank Rate") prevailing at 5.00 p.m. (or, if earlier, close of business) on such Relevant Business Day and (2) the mean of the spread of the SONIA rate to the Bank Rate over the previous five Relevant Business Days on which a SONIA rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
- (b) if the Bank Rate under (a)(1) above is not available at the relevant time, either (A) the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Relevant Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (B) if this is more recent, the latest rate determined under (a) above,

and, in each case, "r" shall be construed accordingly under Condition 7(c)(ii)(C)(1).

(E) Fallback provisions – SOFR

Subject to Condition 7(e), where SOFR is specified in the applicable Pricing Supplement as the applicable Reference Rate then if, in respect of any Relevant Business Day, such Reference Rate is not available, then (unless the Agent has been notified of any Successor Reference Rate or Alternative Reference Rate (and any related Adjustment Spread and/or Benchmark Amendments (as defined below), if applicable) the SOFR in respect of such Relevant Business Day shall be deemed to be the SOFR for the first preceding Relevant Business Day on which the SOFR was published on the New York Fed's Website, and "r" shall be construed accordingly under Condition 7(c)(ii)(C)(1).

(F) Further fallbacks – SONIA and SOFR

In the event that the Rate of Interest cannot be determined in accordance with any of the foregoing provisions, but without prejudice to Condition 7(d) or 7(e) (as applicable), the Rate of Interest shall be:

- (a) that determined as at the last preceding Interest Determination Date (though substituting where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or
- (b) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable,

any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).

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

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

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

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

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period and, (if the Calculation Agent is a party other than the Agent) shall immediately notify the Agent of the Rate of Interest for the relevant Interest Period.

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

- (i) in the case of Floating Rate Notes which are represented by a global Note, the aggregate Outstanding Principal Amount of the Floating Rate Notes represented by such global Note; or
- (ii) in the case of Floating 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.

Except in the case of Additional Tier 1 Notes in definitive form, where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In the case of Additional Tier 1 Notes in definitive form, where the Specified Denomination of a Floating Rate Note is a multiple of the Original 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 Original Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In the case of a Series of Additional Tier 1 Notes, if, at any time pursuant to Condition 9, the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series are written down and/or reinstated, as applicable, during an Interest Period, the Calculation Amount will be adjusted by the Agent as of the date of such write down or reinstatement to reflect the resulting Outstanding Principal Amount from time to time so that the relevant Interest Amount is determined by reference to such Calculation Amount as adjusted from time to time, all as determined by the Calculation Agent.

(v) *Linear Interpolation*

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

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

Unless Screen Rate Determination and Overnight Rate are both specified as being applicable in the applicable Pricing Supplement, the Agent or the Calculation Agent, as applicable, 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, the Trustee and any stock exchange or listing authority on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 19 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 (A) in the event of an extension or shortening of the Interest Period or (B) in the case of an Interest Amount for a Series of Additional Tier 1 Notes, if, pursuant to Condition 9, the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series are written down and/or reinstated, as applicable, during an Interest Period. Any such amendment will be promptly notified by the Bank to each stock exchange or listing authority on which the relevant Floating Rate Notes are for the time being listed, to the Trustee and, in accordance with Condition 19, to the Noteholders.

If Screen Rate Determination and Overnight Rate are both specified as being applicable in the applicable Pricing Supplement, the Agent or the Calculation Agent, as applicable, 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, the Trustee and any stock exchange or listing authority on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 19 as soon as possible after their determination but in no event later than the second 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 (A) in the event of an extension or shortening of the Interest Period or (B) in the case of an Interest Amount for a Series of Additional Tier 1 Notes, if, pursuant to Condition 9, the Outstanding Principal Amount of the Additional Tier 1 Notes of such Series are written down and/or reinstated, as applicable, during an Interest Period. Any such amendment will be promptly notified by the Bank to each stock exchange or listing authority on which the relevant Floating Rate Notes are for the time being listed, to the Trustee and, in accordance with Condition 19, to the Noteholders.

(d) *Reference Rate Replacement*

If:

- (i) the Notes are Reset Notes and Mid-Swap Rate is specified in the applicable Pricing Supplement as the Reset Reference Rate; or

- (ii) the Notes are Floating Rate Notes and Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined;

and, in each case, if Reference Rate Replacement is also specified in the applicable Pricing Supplement as being applicable, then the provisions of this Condition 7(d) shall apply.

If notwithstanding the provisions of Condition 7(b)(ii), Condition 7(c)(ii)(B), Condition 7(c)(ii)(D), Condition 7(c)(ii)(E) or Condition 7(c)(ii)(F), the Bank determines that a Benchmark Event occurs at any time when any Rate of Interest (or any component thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes:

- (i) the Bank shall use reasonable endeavours to appoint and consult with an Independent Adviser with a view to the Bank determining (in each case acting in good faith and in a commercially reasonable manner):

- (a) a Successor Reference Rate; or
- (b) failing which, an Alternative Reference Rate,

and, in each case, an Adjustment Spread and any Benchmark Amendments (as defined below) by no later than the Initial Bank Determination Cut-off Date, for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes for, in the case of Floating Rate Notes, such next Interest Period or, in the case of Reset Notes, such next Reset Interest Period, as the case may be, and for all other relevant future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 7(d) during any other future Interest Period(s));

- (ii) if the Bank is unable to appoint an Independent Adviser or, following consultation with an Independent Adviser so appointed, it fails to determine a Successor Reference Rate or an Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread, prior to the relevant Initial Bank Determination Cut-off Date, the Bank may determine (acting in good faith and in a commercially reasonable manner):

- (a) a Successor Reference Rate; or
- (b) failing which, an Alternative Reference Rate,

and, in each case, an Adjustment Spread and any Benchmark Amendments, by no later than the relevant Final Bank Determination Cut-off Date, for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes for, in the case of Floating Rate Notes, such next Interest Period or, in the case of Reset Notes, such next Reset Interest Period, as the case may be, and for all other relevant future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 7(d) during any other future Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Bank will take into account any relevant and applicable market precedents, any operational requirements of the Calculation Agent, any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;



- (iii) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the Bank, following consultation with the relevant Independent Adviser (if applicable) in accordance with this Condition 7(d):
  - (a) such Successor Reference Rate or Alternative Reference Rate (as applicable) (in either case subject to the subsequent operation of, and adjustment as provided in, this Condition 7(d) shall subsequently be used in place of the relevant Original Reference Rate for, in the case of Floating Rate Notes, all future Interest Periods or, in the case of Reset Notes, all future Reset Interest Periods, as the case may be, for which the Rate of Interest (or the relevant component part thereof) was otherwise to be determined by reference to the relevant Original Reference Rate);
  - (b) the Bank, following consultation with the relevant Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner):
    - (1) shall determine an Adjustment Spread (which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which shall be applied to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) for, in the case of Floating Rate Notes all future Interest Periods or, in the case of Reset Notes, all future Reset Interest Periods, as the case may be for which the Rate of Interest (or the relevant component thereof) is to be determined by reference to the relevant Original Reference Rate; and
    - (2) the Bank, following consultation with the relevant Independent Adviser (if applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:
      - (A) changes to these Conditions, the Agency Agreement or the Trust Deed, as applicable, in order to follow market practice in relation to the relevant Successor Reference Rate or Alternative Reference Rate and, in either case, any Adjustment Spread (as applicable), including, but not limited to changes to (1) the Additional Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Determination Date, Reset Reference Rate, Reference Banks, Reset Reference Banks, Relevant Financial Centre, Relevant Screen Page, Relevant Time and/or Reset Interest Determination Date (as applicable) applicable to the Notes, and/or (2) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
      - (B) any other changes to these Conditions which the Bank, following consultation with the relevant Independent Adviser (if applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable) and, in either case, the Adjustment Spread,

which changes (such changes as described in (A) and (B) above, the “Benchmark Amendments”) shall apply to the Notes for, in the case of Floating Rate Notes, all relevant future Interest Periods or, in the case of Reset Notes, all relevant future Reset Interest Periods, as the case may be (subject to the subsequent operation of, and adjustment as provided in, this Condition 7(d)); and

- (3) promptly following the determination of any Successor Reference Rate or Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread and any Benchmark Amendments, the Bank shall give notice thereof and of any changes (and the effective date thereof) pursuant to this Condition 7(d) to the Agent, any Calculation Agent, the Trustee, any stock exchange or listing authority on which the relevant Notes are for the time being listed (if required) and, in accordance with Condition 19, the Noteholders.
- (4) The Bank shall, when it delivers the notice to the Trustee pursuant to Condition 7(d)(iii)(b)(3), also deliver to the Trustee and the Agents a certificate signed by two Authorised Signatories of the Bank confirming, in the Bank’s reasonable opinion (following consultation with the Independent Adviser, if such Independent Adviser is appointed pursuant to Condition 7(d)), (i) that a Benchmark Event has occurred, (ii) the Successor Reference Rate or Alternative Reference Rate (as applicable), (iii) in either case, an Adjustment Spread, and (iv) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(d)(iii)(b)(2). The Trustee and the Agents shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Reference Rate or Alternative Reference Rate (as applicable) or where applicable, any Adjustment Spread and any Benchmark Amendments, and without prejudice to the ability of the Trustee and the Agents (as applicable) to rely on such certificate, will be binding on the Bank, the Trustee, the Agents and the Noteholders.

Each of the Trustee and the Agents shall, at the direction and expense of the Bank, but subject to receipt by the Trustee and the Agents of a certificate (as aforesaid), concur with the Bank in effecting the Benchmark Amendments to the Trust Deed, the Agency Agreement and the Conditions as the Bank shall direct in writing that may be required to give effect to this Condition 7(d). Neither the Trustee nor the Agents shall be liable to any party for any consequences of complying with such written direction of the Bank, save as provided in the Trust Deed or the Agency Agreement; provided that neither the Trustee nor the Agents shall be obliged to effect the Benchmark Amendments if, in the sole opinion of the Trustee or, as the case may be, the Agents, doing so would impose more onerous obligations on it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Trustee or, as the case may be, the Agents in the Conditions, the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any supplemental Trust Deed) in any way.

No consent of the Noteholders shall be required in connection with effecting the Benchmark Amendments or the relevant Successor Reference Rate or

Alternative Reference Rate (as applicable) as described in this Condition 7(d) or such other relevant changes pursuant to Condition 7(d)(iii)(b)(2), including for the execution of any documents or the taking of other steps by the Bank or any of the parties to the Trust Deed and/or the Agency Agreement (if required).

For the avoidance of doubt, if (i) a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 7(d) prior to the relevant Final Bank Determination Cut-off Date, or (ii) a Benchmark Event has not occurred, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 7(b)(ii), 7(c)(ii)(B), 7(c)(ii)(D), 7(c)(ii)(E) or 7(c)(ii)(F), as applicable. For the avoidance of doubt this Condition 7(d) shall apply to the determination of the Rate of Interest (or any component part thereof) on the relevant Interest Determination Date only, and the Rate of Interest (or any component part thereof) applicable to any subsequent Interest Period(s).

If in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 7(d), the Calculation Agent shall promptly notify the Bank thereof and the Bank shall direct the Calculation Agent in writing (which direction may be by way of a written determination of an Independent Adviser) as to which course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination as a result of its operational requirements for implementation and operation of the determined Successor Reference Rate, Alternative Reference Rate, any Adjustment Spread and any Benchmark Amendments, it shall notify the Bank thereof and the Calculation Agent shall not incur any liability for any failure to make such calculation or determination which arises as a result thereof, save as set out in the Agency Agreement and in the case of its negligence, fraud or wilful default. For the avoidance of doubt, neither the Trustee nor any Agent shall be obliged to monitor or enquire whether a Benchmark Event has occurred or have any liability in respect thereof.

Notwithstanding any other provision of this Condition 7(d):

- (x) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 7(d), if and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the qualification of the Notes as:
  - (A) in the case of Senior Preferred Notes or Senior Non-Preferred Notes, MREL/TLAC Eligible Liabilities;
  - (B) in the case of Subordinated Notes, Tier 2 Capital of the Bank and/or the Handelsbanken Group; or
  - (C) in the case of Additional Tier 1 Notes, Additional Tier 1 Capital of the Bank and/or the Handelsbanken Group; and

(y) in the case of Senior Preferred Notes or Senior Non-Preferred Notes only, no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 7(d), if and to the extent that, in the determination of the Bank, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the relevant Notes, rather than the relevant Maturity Date.

- (e) ***Reference Rate Replacement where the Original Reference Rate is SOFR***

If “SOFR” is specified in the applicable Pricing Supplement as the applicable Reference Rate and “ARRC Fallbacks” is specified as being applicable in the Pricing Supplement when a Rate of Interest (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions of this Condition 7(e) shall apply.

If the Bank determines on or prior to the Relevant Time on the relevant Interest Determination Date that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Original Reference Rate, the Benchmark Replacement will replace the Original Reference Rate for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (subject to any subsequent application of this Condition 7(e) with respect to such Benchmark Replacement).

Where this Condition 7(e) applies, if the Bank considers it necessary to make Benchmark Replacement Conforming Changes, the Bank may determine (acting in good faith and in a commercially reasonable manner) the terms of the relevant Benchmark Replacement Conforming Changes and the Bank shall, subject to giving notice thereof in accordance with Condition 19, without any requirement for the consent or approval of Noteholders, including for the execution of any documents or the taking of other steps by the Bank or any of the parties to the Trust Deed and/or the Agency Agreement (if required), vary the Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Replacement Conforming Changes, with effect from the date specified in such notice. Without prejudice to the definitions thereof, for the purposes of determining any Benchmark Replacement Conforming Changes, the Bank will take into account any relevant and applicable market precedents, any operational requirements of the Calculation Agent, any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets.

Prior to any Benchmark Replacement Conforming Changes taking effect, the Bank shall provide a certificate signed by two Authorised Signatories of the Bank to the Trustee and the Agents confirming, in the Bank’s reasonable opinion:

- (A) (i) that a Benchmark Transition Event has occurred,
- (ii) the Benchmark Replacement determined in accordance with Condition 7(e); specifying (1) the applicable Reference Rate for such purposes (whether the alternate rate selected or recommended by the Relevant Governmental Body, the ISDA Fallback Rate or an alternate rate selected by the Bank) and (2) the applicable Benchmark Replacement Adjustment (if any), and
- (iii) the specific terms of the Benchmark Replacement Conforming Changes (if any); and
- (B) that the Benchmark Replacement Conforming Changes (if any) are necessary to ensure the proper operation of such Benchmark Replacement.

The Trustee and the Agents shall be entitled to rely on such certificate without enquiry or liability to any person. The Benchmark Replacement (including any Benchmark Replacement Adjustment, if applicable) and the Benchmark Replacement Conforming Changes (if any), and without prejudice to the ability of the Trustee and the Agents (as applicable) to rely on such certificate, will be binding on the Bank, the Trustee, the Agents and the Noteholders.

Each of the Trustee and the Agents shall, at the direction and expense of the Bank, but subject to receipt by the Trustee and the Agents of a certificate (as aforesaid), concur with the Bank in effecting the Benchmark Replacement Conforming Changes to the Trust Deed, the Agency Agreement and the Conditions as the Bank shall direct in writing that may be required to give effect

to this Condition 7(e). Neither the Trustee nor the Agents shall be liable to any party for any consequences of complying with such written direction of the Bank, save as provided in the Trust Deed or the Agency Agreement; provided that neither the Trustee nor the Agents shall be obliged to effect the Benchmark Replacement Conforming Changes if, in the sole opinion of the Trustee or, as the case may be, the Agents, doing so would impose more onerous obligations on it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Trustee or, as the case may be, the Agents in the Conditions, the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any supplemental Trust Deed) in any way.

In connection with any such variation in accordance with this Condition 7(e), the Bank shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

If in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 7(e), the Calculation Agent shall promptly notify the Bank thereof and the Bank shall direct the Calculation Agent in writing as to which course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination as a result of its operational requirements for implementation and operation of the determined Benchmark Replacement (including any Benchmark Replacement Adjustment, if applicable) and the Benchmark Replacement Conforming Changes (if any), it shall notify the Bank thereof and the Calculation Agent shall not incur any liability for any failure to make such calculation or determination which arises as a result thereof, save as set out in the Agency Agreement and in the case of its negligence, fraud or wilful default. For the avoidance of doubt, neither the Trustee nor any Agent shall be obliged to monitor or enquire whether a Benchmark Transition Event has occurred or have any liability in respect thereof.

Notwithstanding any other provision of this Condition 7(e):

- (A) no rate determined in accordance with this Condition 7(e) will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Replacement Conforming Changes, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the qualification of the Notes as:
  - (i) in the case of Senior Preferred Notes or Senior Non-Preferred Notes, MREL/TLAC Eligible Liabilities;
  - (ii) in the case of Subordinated Notes, Tier 2 Capital of the Bank and/or the Handelsbanken Group; or
  - (iii) in the case of Additional Tier 1 Notes, Additional Tier 1 Capital of the Bank and/or the Handelsbanken Group; and
- (B) in the case of Senior Preferred Notes or Senior Non-Preferred Notes only, no rate determined in accordance with this Condition 7(e) will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Replacement Conforming Changes, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the relevant Notes, rather than the relevant Maturity Date.

(f) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7, by the Agent, the Calculation Agent or, in the circumstances described in Condition 7(d) or Condition 7(e), the Bank shall (in the absence of manifest error) be binding on the Bank, the Trustee, the Calculation Agent, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Bank, the Trustee, the Noteholders or the Couponholders shall attach to the Agent, the Calculation Agent or, in the circumstances described in Condition 7(d) or Condition 7(e), the Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(g) ***Accrual of Interest***

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption (if any) unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed. In the case of a Series of Additional Tier 1 Notes, the Notes shall not bear interest to the extent the interest in respect of the relevant period is cancelled pursuant to Condition 7(f).

(h) ***Cancellation of, and Restrictions on Payments on, Interest***

This Condition 7(h) applies only to Additional Tier 1 Notes and references to “Notes” in this Condition 7(h) shall be construed accordingly.

(i) ***Cancellation of Interest***

Interest on the Notes will be due and payable only at the sole and absolute discretion of the Bank and, accordingly, the Bank shall have sole and absolute discretion at all times to cancel (in whole or in part) any interest payment that would otherwise be due and payable on any Interest Payment Date or other relevant date. If the Bank does not make an interest payment on the relevant Interest Payment Date or other relevant date (or if the Bank elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Bank’s exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid) and, accordingly, such interest payment (or the portion thereof not paid) shall not be due and payable.

If the Bank provides notice of its intention to cancel a portion, but not all, of an interest payment and the Bank subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date or other relevant date, such non-payment shall evidence the Bank’s exercise of its discretion to cancel such remaining portion of the interest payment and, accordingly, such remaining portion of the interest payment shall also not be due and payable.

(ii) ***Effect of Interest Cancellation***

Interest will only be due and payable on an Interest Payment Date to the extent the obligation to pay it is not cancelled in accordance with the provisions set out above. Any interest payment obligation so cancelled (in whole or in part) shall not be due and shall not accrue or be payable at any time thereafter nor shall any cancellation thereof constitute an Event of Default (as set out in Condition 14(b)) and, accordingly, Noteholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

The Bank may use amounts relating to any such cancelled payments without restriction to meet its other obligations as they fall due.

(iii) ***Notice of Interest Cancellation***

If practicable, the Bank shall provide notice, in accordance with Condition 19, of any cancellation of its obligation to pay interest (in whole or in part) to the Noteholders on or prior to the relevant Interest Payment Date. If practicable, the Bank shall endeavour to provide such notice at least five Business Days prior to the relevant Interest Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation, or give Noteholders any rights as a result of such failure.

(iv) *No interest cancellation following a Capital Event*

If (a) a Capital Event has occurred and (b) No Interest Cancellation Discretion Following a Capital Event is specified as applicable in the applicable Pricing Supplement, then, beginning on the relevant Capital Event Date, the Bank shall cease to have discretion to cancel its obligation to make interest payments and shall pay amounts of interest accruing on the Notes from (and including) such Capital Event Date in arrear on each subsequent Interest Payment Date.

(v) *Restriction on Payment of Interest*

(a) *Restriction*

Payments of interest in respect of the Notes in any financial year of the Bank shall be made only out of Distributable Items of the Bank. The Bank shall not pay interest on the Notes on any Interest Payment Date (and the obligation to make such interest payment shall therefore be deemed to have been cancelled and thus such interest payment shall not be due and payable on such Interest Payment Date) to the extent that the Bank has an amount of Distributable Items on such Interest Payment Date that is insufficient to pay the sum of (a) all interest payments or distributions on all other Own Funds instruments of the Bank (determined by the Bank for the purposes of the Relevant Rules) paid and/or required and/or scheduled to be paid out of or limited to Distributable Items in the then current financial year and (b) all interest scheduled for payment on the Notes in the then current financial year, but excluding from (a) and (b) above any such payments or distributions (or portion thereof) which have already been deducted in calculating the Distributable Items of the Bank.

The Bank may, in its sole and absolute discretion, elect to make a partial interest payment on the Notes on any Interest Payment Date, but only to the extent that such partial interest payment may be made without breaching the restriction set out in the immediately preceding paragraph.

In circumstances where (i) Article 141 of the CRD Directive (or, as the case may be, any provision of Swedish law transposing or implementing such Article) applies, and/or (ii) any analogous restrictions arising from the requirement to meet any applicable buffers under the Relevant Rules apply, no payments will be made on the Notes (whether by way of principal, interest, Reinstatement Amount or otherwise) if and to the extent that such payment would cause the Maximum Distributable Amount (if any), determined in accordance with the Relevant Rules to be exceeded and, accordingly, in the case of interest, the obligation to make the relevant interest payment or any part thereof shall be deemed to be cancelled.

(b) *Notice of Restriction*

If practicable, the Bank shall provide to Noteholders notice, in accordance with Condition 19, of any applicable restriction on its ability to pay interest as set out in Condition 7(h)(v)(A) above on or prior to the relevant Interest Payment Date. If practicable, the Bank shall endeavour to provide such notice at least five Business Days prior to the relevant Interest Payment Date. Failure to provide such notice will

not have any impact on, or otherwise invalidate, any such restriction on the Bank's ability to pay interest, or give Noteholders any rights as a result of such failure.

## **8. Redemption and Purchase**

### **(a) *At Maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Senior Preferred Note, each Senior Non-Preferred Note and each Subordinated Note will be redeemed by the Bank at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date. Additional Tier 1 Notes have no final maturity and are only redeemable or repayable in accordance with the following relevant provisions of this Condition and the applicable Pricing Supplement.

### **(b) *Redemption for Withholding Tax Reasons***

Subject as provided in Condition 8(l), if the Bank at any time delivers to the Trustee immediately prior to the giving of the notice referred to below evidence that, as a result of any actual or proposed change in or amendment to the laws of the Kingdom of Sweden or the regulations of any taxing authority therein or thereof, or in or to the application of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the Notes or, if the Notes comprise more than one Tranche, the Issue Date of the first Tranche, the Bank would, on the occasion of the next payment due in respect of the Notes, be required to pay additional amounts as provided in Condition 13, the Bank may, at its option, having given not less than 30 days' and not more than 60 days' notice to the Trustee, the Agent and in accordance with Condition 19, the holders of the Notes, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date redeem all, but not some only, of the Notes each at its Early Redemption Amount, together, if appropriate, with (in the case of Notes other than Additional Tier 1 Notes) interest accrued to (but excluding) the date of redemption or (in the case of Additional Tier 1 Notes) interest accrued to (but excluding) the date of redemption if the Bank's obligation to pay interest has not been cancelled or deemed to be cancelled. Upon the expiry of such notice, the Bank shall, subject (in the case of Additional Tier 1 Notes) to Condition 8(n), be bound to redeem the Notes accordingly.

### **(c) *Redemption at the Option of the Bank (Issuer Call)***

Subject as provided in Condition 8(l), if Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Bank may, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 19, the holders of the Notes (which notice shall, subject (in the case of Additional Tier 1 Notes) to Condition 8(n), be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with (in the case of Notes other than Additional Tier 1 Notes) interest accrued to (but excluding) the date of redemption or (in the case of Additional Tier 1 Notes) interest accrued to (but excluding) the date of redemption if the Bank's obligation to pay interest has not been cancelled or deemed to be cancelled. In the event of a redemption of some only of the Notes, such redemption must be of a nominal amount being not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as indicated in the applicable Pricing Supplement. In the case of a partial redemption of definitive Notes, the Notes to be repaid will be selected individually by lot not more than 60 days prior to the date fixed for redemption and a list of the Notes called for redemption will be published in accordance with Condition 19 not less than 30 days prior to such date. In the case of a partial redemption of Notes which are represented by a global Note, the relevant Notes will be selected in accordance with the rules of Euroclear and/or Clearstream,



Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

(d) ***Purchases***

Subject as provided in Condition 8(l) and unless otherwise prohibited by the Relevant Rules, the Bank or any of its Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons appertaining thereto are surrendered therewith) in the open market or otherwise at any price.

(e) ***Cancellation***

All Notes redeemed or purchased as aforesaid, other than Notes purchased by the Bank or any of its Subsidiaries which it determines to hold for possible subsequent dealing and Notes purchased by the Bank or any Subsidiary of the Bank in the ordinary course of business carried on by it as a dealer in securities or otherwise than as beneficial owner, will be cancelled forthwith, together with all unmatured Coupons attached thereto or surrendered or purchased therewith, and may not be resold or reissued.

(f) ***Late payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to this Condition 8 or upon its becoming due and repayable as provided in Condition 14 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the relevant Early Redemption Amount as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (ii) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 19.

(g) ***Redemption upon MREL/TLAC Disqualification Event: Senior Preferred Notes and Senior Non-Preferred Notes***

This Condition 8(g) applies only to a Series of Senior Preferred Notes and Senior Non-Preferred Notes and references to “Notes” in this Condition 8(g) shall be construed accordingly.

If MREL/TLAC Disqualification Event Redemption Option is specified as being applicable in the applicable Pricing Supplement, upon the occurrence of a MREL/TLAC Disqualification Event but subject to Condition 8(l), the Bank may, at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 19, the Noteholders (which notice shall be irrevocable), at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date redeem all, but not some only, of the Notes each at its Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the Bank shall be bound to redeem the Notes accordingly.

(h) ***Redemption upon Tax Event: Senior Preferred Notes and Senior Non-Preferred Notes***

This Condition 8(h) applies only to a Series of Senior Preferred Notes and Senior Non-Preferred Notes and references to “Notes” in this Condition 8(h) shall be construed accordingly.

Upon the occurrence of a Tax Event in respect of a Series of Senior Preferred Notes or Senior Non-Preferred Notes but subject to Condition 8(l), the Bank may, at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 19, the Noteholders (which notice shall be irrevocable), at any time or, if the Notes of such Series are Floating Rate Notes, on any Interest Payment Date redeem all, but not some only, of the Notes each at its Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the Bank shall be bound to redeem the Notes accordingly.

(i) ***Redemption upon Capital Event or Tax Event: Subordinated Notes and Additional Tier 1 Notes***

This Condition 8(i) applies only to a Series of Subordinated Notes and Additional Tier 1 Notes and references to “Notes” in this Condition 8(i) shall be construed accordingly.

Upon the occurrence of a Capital Event or a Tax Event in respect of a Series of Subordinated Notes or Additional Tier 1 Notes but subject to Condition 8(l), the Bank may, at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 19, the Noteholders (which notice shall, subject (in the case of Additional Tier 1 Notes) to Condition 8(n), be irrevocable), at any time or, if the Notes of such Series are Floating Rate Notes, on any Interest Payment Date redeem all, but not some only, of the Notes each at its Early Redemption Amount together, if appropriate, with (in the case of Subordinated Notes) interest accrued to (but excluding) the date of redemption or (in the case of Additional Tier 1 Notes) interest accrued to (but excluding) the date of redemption if the Bank’s obligation to pay interest has not been cancelled or deemed to be cancelled. Upon the expiry of such notice, the Bank shall, subject (in the case of Additional Tier 1 Notes) to Condition 8(n), be bound to redeem the Notes accordingly.

(j) ***Variation or Substitution instead of Redemption: Senior Preferred Notes and Senior Non-Preferred Notes***

This Condition 8(j) applies only to a Series of Senior Preferred Notes and Senior Non-Preferred Notes and references to “Notes” in this Condition 8(j) shall be construed accordingly.

If MREL/TLAC Disqualification Event Substitution/Variation Option is specified as being applicable in the applicable Pricing Supplement, if at any time a MREL/TLAC Disqualification Event occurs in respect of a Series of Senior Preferred Notes or Senior Non-Preferred Notes, or in order to ensure the effectiveness and enforceability of Condition 23, the Bank may, instead of giving notice to redeem as aforesaid (if applicable), and subject to Condition 8(l), without any requirement for the consent or approval of the Noteholders or Couponholders, and having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with the Conditions, the holders of the Notes (which notice shall be irrevocable), at any time either substitute (if the Notes are Senior Preferred Notes), Qualifying Senior Preferred Securities or (if the Notes are Senior Non-Preferred Notes), Qualifying Senior Non-Preferred Securities, as applicable, for all (but not some only) of the Notes, or vary the terms of the Notes (including changing the governing law of Condition 23 from English law to Swedish law) provided that they become or, as appropriate, remain (if the Notes are Senior Preferred Notes), Qualifying Senior Preferred Securities or (if the Notes are Senior Non-Preferred Notes), Qualifying Senior Non-Preferred Securities, as applicable.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Notes or substituted securities. Such substitution or variation will be effected without any cost or charge to the Noteholders.

The Trustee shall (subject to the following provisions of this paragraph) agree to such substitution or variation and shall (at the expense of the Bank) use its reasonable endeavours to participate in or assist the Bank with the substitution of the Notes for, or the variation of the terms of the Notes, provided that they become or, as appropriate, remain (if the Notes are Senior Preferred Notes), Qualifying Senior Preferred Securities or (if the Notes are Senior Non-Preferred Notes), Qualifying Senior Non-Preferred Securities, as applicable, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Senior Preferred Securities or Qualifying Senior Non-Preferred Securities, as applicable, or the participation in or assistance with such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or reduce its protections. If, notwithstanding the above, the Trustee does not participate or assist as provided above, the Bank may, subject as provided herein, redeem the Notes as provided above. The Trustee shall not be liable for any substitution or variation or any consequences thereof.

(k) ***Variation or Substitution instead of Redemption: Subordinated Notes and Additional Tier 1 Notes***

This Condition 8(k) applies only to Additional Tier 1 Notes and Subordinated Notes and references to "Notes" in this Condition 8(k) shall be construed accordingly.

If at any time a Capital Event or a Tax Event occurs in respect of a Series of Subordinated Notes or Additional Tier 1 Notes, or in order to ensure the effectiveness and enforceability of Condition 23, the Bank may, instead of giving notice to redeem as aforesaid, and subject to Condition 8(l), without any requirement for the consent or approval of the Noteholders, and having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with the Conditions, the holders of the Notes (which notice shall, subject to Condition 8(n), be irrevocable), at any time either substitute (if the Notes are Subordinated Notes), Qualifying Subordinated Securities or (if the Notes are Additional Tier 1 Notes), Qualifying Additional Tier 1 Securities, as applicable, for all (but not some only) of the Notes of such Series, or vary the terms of the Notes (including changing the governing law of Condition 23 from English law to Swedish law) of such Series provided that they become or, as appropriate, remain (if the Notes are Subordinated Notes), Qualifying Subordinated Securities or (if the Notes are Additional Tier 1 Notes), Qualifying Additional Tier 1 Securities, as applicable.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Notes of such Series or substituted securities. Such substitution or variation will be effected without any cost or charge to the Noteholders.

The Trustee shall (subject to the following provisions of this paragraph) agree to such substitution or variation and shall (at the expense of the Bank) use its reasonable endeavours to participate in or assist the Bank with the substitution of the Notes of such Series for, or the variation of the terms of the Notes of such Series, provided that they become or, as appropriate, remain, (if the Notes are Subordinated Notes), Qualifying Subordinated Securities or (if the Notes are Additional Tier 1 Notes), Qualifying Additional Tier 1 Securities, as applicable, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Subordinated Securities or Qualifying Additional Tier 1 Securities, as applicable, or the participation in or assistance with such substitution or variation would impose, in the Trustee's

opinion, more onerous obligations upon it or reduce its protections. If, notwithstanding the above, the Trustee does not participate or assist as provided above, the Bank may, subject as provided herein, redeem the Notes of such Series as provided above. The Trustee shall not be liable for any substitution or variation or any consequences thereof.

(l) ***Consent of the Relevant Regulator***

Any early redemption, variation or substitution or purchase pursuant to:

- (i) in the case of Senior Preferred Notes, Conditions 8(b), (c), (d), (g), (h) and (j), as applicable; or
- (ii) in the case of Senior Non-Preferred Notes, Conditions 8(b), (c), (d), (g), (h) and (j), as applicable,

in each case, is subject to the prior notification to the Relevant Regulator and/or (if applicable, as determined by the Bank) the Relevant Resolution Authority, and the Relevant Regulator and/or the Relevant Resolution Authority have/has, as applicable, if required by applicable law at the time of such early redemption, variation or substitution or purchase, provided prior consent to, such early redemption, variation or substitution or purchase.

In the case of Subordinated Notes, any early redemption, variation or substitution or purchase pursuant to Conditions 8(b), (c), (d), (i) and (k), as applicable, is subject to the prior consent of the Relevant Regulator if required by applicable law at the time of such early redemption, variation or substitution or purchase.

In the case of Additional Tier 1 Notes, any redemption, variation or substitution or purchase pursuant to Conditions 8(b), (c), (d), (i) and (k), as applicable, is subject to the prior consent of the Relevant Regulator if required by applicable law at the time of such early redemption, variation or substitution or purchase.

(m) ***No other redemption, variation or substitution***

Without prejudice to Condition 16, the Bank shall not be entitled to redeem, purchase, vary or substitute:

- (i) the Senior Preferred Notes except as provided in Conditions 8(b), (c), (d), (g), (h) and (j) above;
- (ii) the Senior Non-Preferred Notes except as provided in Conditions 8(b), (c), (d), (g), (h) and (j) above;
- (iii) the Subordinated Notes except as provided in Conditions 8(b), (c), (d), (i) and (k) above; and
- (iv) the Additional Tier 1 Notes except as provided in Conditions 8(b), (c), (d), (i) and (k) above.

(n) ***Trigger Event Post Notice of Redemption, Variation or Substitution***

This Condition 8(n) applies only to Additional Tier 1 Notes and references to “Notes” in this Condition 8(n) shall be construed accordingly.

If the Bank has elected to redeem a Series of Additional Tier 1 Notes in accordance with Conditions 8(b), (c), or (i) or, as the case may be, to substitute or vary the terms of the Notes of such

Series in accordance with Condition 8(k), but prior to the payment of the redemption amount with respect to such redemption or, as applicable, prior to the substitution or variation becoming effective, a Trigger Event occurs, the relevant redemption notice or, as applicable, relevant notice of substitution or variation, shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount shall be due and payable or, if applicable, no substitution or variation shall be effected, and a Write Down shall take place pursuant to Condition 9.

## **9. Loss Absorption and Reinstatement**

This Condition 9 applies only to Additional Tier 1 Notes and references to “Notes” in this Condition 9 shall be construed accordingly.

### **(a) Write Down**

If, in respect of a Series of Additional Tier 1 Notes, the Bank determines that a Trigger Event has occurred as at any Measurement Date, then the Bank shall Write Down the Outstanding Principal Amount of each Note of such Series (in whole or in part, as applicable) on the relevant Write Down Effective Date. Any Write Down Amount shall only be reinstated as set out under Condition 9(d). The relevant Write Down shall occur without delay (and in any event within one month or such shorter period as the Relevant Regulator may require) following the occurrence of a Trigger Event.

Upon the occurrence of a Trigger Event, the Bank shall immediately inform the Relevant Regulator and shall deliver a notice to the Noteholders in accordance with Condition 19 specifying (i) that a Trigger Event has occurred and (ii) if the Notes of such Series will be subject to a Write Down, the relevant Write Down Effective Date or expected Write Down Effective Date.

Except as set out under Condition 9(d), following a Write Down, no Noteholder will have any rights against the Bank with respect to the repayment of any principal amount to the extent so written down or the payment of interest on any principal amount that has been so written down (including any interest which may have accrued on such principal amount prior to such Write Down) or any other amount on or in respect of any principal amount that has been so written down. Furthermore, the Bank’s obligation to pay any interest on any principal amount that is to be written down on the relevant Write Down Effective Date, in respect of an Interest Period ending on any Interest Payment Date falling between the date of a Trigger Event and the relevant Write Down Effective Date shall automatically be deemed to have been cancelled upon the occurrence of such Trigger Event and such interest shall, accordingly, not be due and payable.

The Bank may determine that a Trigger Event has occurred on more than one occasion and, accordingly, the Outstanding Principal Amount of each Note may be written down on more than one occasion provided that the Outstanding Principal Amount of each Note may never be reduced to below the Loss Absorption Minimum Amount.

The Write Down shall not constitute an Event of Default or a breach of the Bank’s obligations or duties or a failure to perform by the Bank in any manner whatsoever and shall not, of itself, entitle Noteholders to present any petition for the insolvency or dissolution of the Bank or otherwise.

### **(b) Write Down Notice**

If, in respect of a Series of Additional Tier 1 Notes, the Bank determines that a Trigger Event has or has been deemed to have occurred, it shall publish a Write Down Notice in accordance with Condition 19 as soon as practicable after such determination. The Write Down Notice shall be sufficient evidence of the occurrence of such Trigger Event and will be conclusive and binding on Noteholders. Any delay in delivery or failure to publish a Write Down Notice shall not affect the validity of any Write Down or the timing of any Write Down Effective Date.

(c) ***Write Down Procedure***

On the relevant Write Down Effective Date of a Series of Additional Tier 1 Notes, the Bank shall write down the Outstanding Principal Amount of each Note of such Series by the relevant Write Down Amount of such Series.

To the extent the prior write down or conversion of any Higher Trigger Loss Absorbing Instrument or Equal Trigger Loss Absorbing Instrument for the purposes of the definition of Write Down Amount is not possible for any reason, this shall not in any way affect any Write Down of the Additional Tier 1 Notes of the relevant Series. The only consequence shall be that the Additional Tier 1 Notes of such Series will be written down and the Write Down Amount in relation to such Additional Tier 1 Notes shall be determined as provided in the definition of Write Down Amount, without taking into account any such write down or conversion of such Higher Trigger Loss Absorbing Instrument or Equal Trigger Loss Absorbing Instrument.

(d) ***Reinstatement***

If the Bank records a positive Net Profit or, to the extent permitted by the Relevant Rules, the Handelsbanken Group records a positive Net Profit at any time while the Outstanding Principal Amount of the Notes of a Series of Additional Tier 1 Notes is less than its Original Principal Amount, the Bank may, at its sole and absolute discretion and subject to the Maximum Distributable Amount (when the amount of the relevant Reinstatement (as defined below) is aggregated together with other distributions of the Bank or the Handelsbanken Group, as applicable, of the kind referred to in Article 141(2) of the CRD Directive (or, if different, any provision of the Relevant Rules implementing Article 141(2) of the CRD Directive)) not being exceeded thereby, reinstate all or any part of any Write Down Amount, such that the Outstanding Principal Amount of each Note of such Series shall be increased by such amount in accordance with the Reinstatement Procedure (a “Reinstatement”) up to a maximum of the Original Principal Amount of the Notes of such Series, on a *pro rata* basis with the other Notes of such Series and with any Written Down Loss Absorbing Instruments of the Bank and, in the case of any increase in the Outstanding Principal Amount of the Notes of such Series by reference to the Net Profit of the Handelsbanken Group, any Written Down Loss Absorbing Instruments of the Handelsbanken Group, that, in each case, have terms permitting a principal write up or reinstatement to occur on a basis similar to that set out in this Condition 9(d) in the circumstances existing on the date of the relevant Reinstatement, provided that the sum of:

- (i) the aggregate amount of the relevant Reinstatement on all the Notes of such Series;
- (ii) the aggregate amount of any payments of interest in respect of the Notes of such Series that were paid on the basis of an Outstanding Principal Amount (of the Notes of such Series) lower than the Original Principal Amount (of the Notes of such Series) at any time after the end of the previous financial year;
- (iii) the aggregate amount of the increase in principal amount of each such Written Down Loss Absorbing Instrument at the time of the relevant Reinstatement; and
- (iv) the aggregate amount of any interest payments or distributions in respect of each such Written Down Loss Absorbing Instrument that were calculated or paid on the basis of an outstanding principal amount that is lower than the principal amount it was issued with at any time after the end of the previous financial year,

does not exceed the Maximum Reinstatement Amount.

A Reinstatement may occur on more than one occasion (and any exercise by the Bank of its discretion to effect a Reinstatement shall not preclude the Bank from effecting or not effecting any

Reinstatement on any other occasion) provided that the Outstanding Principal Amount of a Note may never exceed its Original Principal Amount.

No Reinstatement may take place if (i) a Trigger Event has occurred in respect of which the Notes of such Series are to be subject to Write Down, but such Write Down has not occurred, (ii) a Trigger Event has occurred in respect of which the relevant Write Down has occurred but the Common Equity Tier 1 Capital Ratios of both the Bank and the Handelsbanken Group have not been restored to, or above, the relevant Trigger Level or (iii) the relevant Reinstatement (either alone or together with all simultaneous reinstatements of other Equal Trigger Temporary Write Down Instruments) would cause a Trigger Event to occur.

The Bank shall not reinstate any of the outstanding principal amounts of any Equal Trigger Temporary Write Down Instruments unless it does so on a *pro rata* basis with a Reinstatement of the Outstanding Principal Amount of each Note of the relevant Series.

(e) ***Reinstatement Procedure***

If, in respect of a Series of Additional Tier 1 Notes, the Bank exercises such discretion to effect a Reinstatement it shall so notify the Trustee, the Agent and the Noteholders in accordance with Condition 19.

Any Reinstatement Amount shall be set by the Bank at its discretion, and shall be specified in the relevant Reinstatement Notice save that it shall not exceed the Maximum Reinstatement Amount for such financial year.

On the relevant Reinstatement Effective Date and subject to the prior consent of the Relevant Regulator (to the extent such consent is required by the Relevant Rules), the Bank shall (x) cause the Outstanding Principal Amount of each Note of such Series to be reinstated and written up by an amount equal to the relevant Reinstatement Amount on a *pro rata* basis with each Note of such Series and (y) procure that the outstanding principal amount of each security forming part of a series of Equal Trigger Temporary Write Down Instruments is, or has been, reinstated and written up on a *pro rata* basis with the Outstanding Principal Amount of each Note of such Series.

## **10. Payments**

(a) ***Method of Payment***

Subject as provided below: —

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (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 (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code

or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law or regulation implementing an intergovernmental approach thereto.

(b) ***Presentation of definitive Notes, Coupons and Talons***

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above against surrender of definitive Notes and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Fixed Rate Notes in definitive form (other than Adjusted Fixed Rate Notes or Long Maturity Notes) should be presented for payment together with all unmatured Coupons (if any) 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 aggregate 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 ten years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 18) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter. Upon any Fixed Rate Note in definitive form (other than an Adjusted Fixed Rate Note in definitive form) becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon any Floating Rate Note, Reset Note, Adjusted Fixed Rate Note or Long Maturity Note in definitive form becoming due and repayable prior to its stated maturity date, 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.

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

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

The holder of the relevant global Note (or, as provided in the Trust Deed, the Trustee) 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 (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg, 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 the relevant global Note (or the Trustee, as the case may be). No person other than the holder of the relevant global Note (or, as



provided in the Trust Deed, the Trustee) shall have any claim against the Bank in respect of any payments due on that global Note.

Notwithstanding the foregoing, payments of interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)) 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 at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; 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.

(c) ***Payment Day***

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

(d) ***Interpretation of Principal and Interest***

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

- (i) the Final Redemption Amount of the Notes;
- (ii) the Early Redemption Amount of the Notes;
- (iii) the Optional Redemption Amount(s) (if any) of the Notes; and
- (iv) any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 13 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## **11. Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Bank is entitled (with the prior written approval of the Trustee) to vary or terminate the appointment of any Paying Agent and/or appoint additional or other paying agents and/or approve any change in the specified office through which any Paying Agent acts, provided that: —

- (i) so long as the Notes are listed on any stock exchange and until the Notes are redeemed, there will at all times be a Paying Agent with a specified office in each

location required by the rules and regulations of the relevant stock exchange or any other relevant authority;

- (ii) there will at all times be a Paying Agent with a specified office in a European city excluding Sweden, approved by the Trustee; and
- (iii) there will at all times be an Agent and, in the circumstances described in the Conditions, a Calculation Agent.

In addition, the Bank shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 10(b). 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 Trustee and the Noteholders in accordance with Condition 19.

## **12. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest or penultimate payment of principal, as the case may be, due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 18. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## **13. Taxation**

All payments of principal and interest (if any) by or on behalf of the Bank will be made without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or any authority thereof or therein having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, in the case of a payment of interest only, the Bank will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders or the Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of interest which would have been received in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amount shall be payable with respect to any Note or Coupon:—

- (i) to, or to a third party on behalf of, a Noteholder or beneficial owner of a Note or Couponholder who is liable to such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of such Note or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on or before such thirtieth day; or
- (iii) to, or to a third party on behalf of a Noteholder or beneficial owner of a Note or Couponholder who would not be subject to such withholding or deduction if he were to comply with any certification, identification or other reporting requirements concerning nationality or residence or any connection with the Kingdom of Sweden; or
- (iv) presented for payment in the Kingdom of Sweden.

Notwithstanding anything to the contrary in the preceding paragraph, neither the Bank nor any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law or regulation implementing an intergovernmental approach thereto.

#### **14. Events of Default**

##### **(a) *Relating to Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes***

This Condition 14(a) applies only to Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes and references to “Notes” in this Condition 14(a) shall be construed accordingly.

The Trustee, at its discretion, may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes outstanding or if so directed by an Extraordinary Resolution of the holders of the Notes shall, subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, give notice to the Bank that the Notes are, and they shall accordingly immediately become, save as provided below, due and repayable at their Early Redemption Amount together, if appropriate, with accrued interest (if any) to the due date for repayment and otherwise as provided in the Trust Deed if any of the following events (each an “Event of Default”) occurs, namely:—

- (i) the Bank defaults in the payment of any principal or interest for a period of seven days (in the case of principal) or 30 days (in the case of interest) in respect of any of the Notes when and as the same ought to be paid; or
- (ii) an agency or supervisory authority of the Kingdom of Sweden having jurisdiction in respect of the same institutes a proceeding, or a court in the Kingdom of Sweden enters 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 is not vacated or remains in force undischarged or unstayed for a period of 60 days; or
- (iii) the Bank files a petition to take advantage of any insolvency statute or voluntarily suspends payment of its obligations.

Upon a Note becoming due and repayable under this Condition 14(a), the following restrictions shall apply: —

- (A) the Trustee (or, subject as provided below, the holder of such Note) may at its discretion and without further notice take such steps, including the obtaining of a judgment against the Bank for any amount due in respect of such Note, as it thinks desirable with a view to having the Bank declared bankrupt (*Sw. konkurs*) or put into liquidation (*Sw. likvidation*) but not otherwise and consequently if any such Note has become due and repayable under this Condition 14(a) the Bank shall, except with the prior consent of the Relevant Regulator, only be required to make such payment after it has been declared bankrupt (*Sw. konkurs*) or put into liquidation (*Sw. likvidation*);
- (B) the Trustee (or, subject as provided below, the holder of such Note) may at its discretion and without further notice institute such proceedings against the Bank as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Bank under such Note (other than, without prejudice to paragraph (A) above,

any obligation for the payment of any principal or interest in respect of such Note) 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; and

- (C) no remedy shall be available to the Trustee, the holder of the relevant Note or the holder of any relevant Coupon against the Bank other than as provided in paragraphs (A) or (B) above or proving or claiming in the bankruptcy (*Sw. konkurs*) or liquidation (*Sw. likvidation*) of the Bank in the Kingdom of Sweden or elsewhere, whether for the recovery of amounts owing in respect of the relevant Note or in respect of any breach by the Bank of any of its obligations or undertakings under such Notes or the Trust Deed.

The Trustee shall not be bound to take any of the actions referred to in provisos (A), (B) and (C) of this Condition 14(a) to enforce the terms of the Trust Deed and/or the Notes or to take any other action under or pursuant to the Trust Deed unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by holders of the Notes holding at least one-fifth in nominal amount of the Notes outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing, in which case the Noteholder or Couponholder shall have only such rights against the Bank as those which the Trustee is entitled to exercise.

(b) ***Relating to Additional Tier 1 Notes***

This Condition 14(b) applies only to Additional Tier 1 Notes and references to “Notes” in this Condition 14(b) shall be construed accordingly.

The Trustee, at its discretion, may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes outstanding or if so directed by an Extraordinary Resolution of the holders of the Notes shall, subject in each case to the Trustee being indemnified and/or secured to its satisfaction, give notice to the Bank that the Notes are, and they shall accordingly immediately become, save as provided below, due and repayable at their Early Redemption Amount together, if appropriate, with accrued interest (if any) to the due date for repayment and otherwise as provided in the Trust Deed if one of the following events (each, an “Event of Default”) occurs.

- (i) an agency or supervisory authority of the Kingdom of Sweden having jurisdiction in respect of the same institutes a proceeding, or a court in the Kingdom of Sweden enters 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 is not vacated or remains in force, undischarged or unstayed for a period of 60 days; or
- (ii) the Bank files a petition to take advantage of any insolvency statute or voluntarily suspends payment of its obligations,

provided that, if (A) a Capital Event has occurred and (B) No Interest Cancellation Discretion Following a Capital Event is specified as applicable in the applicable Pricing Supplement, then from (and including) the relevant Capital Event Date, a default in the payment of any principal for a period of seven days or interest for a period of 30 days in respect of the Notes after the same has become due and payable shall also be an Event of Default.

Upon a Note becoming due and repayable under this Condition 14(b) the following restrictions shall apply:

- (A) the Trustee (or, subject as provided below, the holder of such Note) may at its discretion and without further notice take such steps, including the obtaining of a judgment against the Bank in respect of such Note, as it thinks desirable with a view to having the Bank declared bankrupt (*Sw. konkurs*) or put into liquidation (*Sw. likvidation*) but not otherwise and consequently if any Note has become due and repayable under this Condition 14(b) the Bank shall, except with the prior consent of the Relevant Regulator, only be required to make such payment after it has been declared bankrupt (*Sw. konkurs*) or put into liquidation (*Sw. likvidation*);
- (B) the Trustee (or, subject as provided below, the holder of such Note) may at its discretion and without further notice institute such proceedings against the Bank as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Bank under such Note (other than, without prejudice to paragraph (A) above, any obligation for the payment of any principal or interest in respect of such Note) 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; and
- (C) no remedy shall be available to the Trustee or the holder of the relevant Note or the holder of any relevant Coupon against the Bank other than as provided in paragraphs (A) or (B) above or proving or claiming in the bankruptcy (*Sw. konkurs*) or liquidation (*Sw. likvidation*) of the Bank in the Kingdom of Sweden or elsewhere, whether for the recovery of amounts owing in respect of the relevant Note or in respect of any breach by the Bank of any of its obligations or undertakings under the Note or the Trust Deed.

The Trustee shall not be bound to take any of the actions referred to in paragraphs (A),(B) and (C) of this Condition 14(b) to enforce the terms of the Trust Deed and/or the Notes or to take any other action under or pursuant to the Trust Deed unless (x) it shall have been so directed by an Extraordinary Resolution or so requested in writing by holders of Notes holding at least one-fifth in nominal amount of the Notes outstanding and (y) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing, in which case the Noteholder or Couponholder shall have only such rights against the Bank as those which the Trustee is entitled to exercise.

(c) ***Exercise of Swedish Statutory Loss Absorption Powers***

The exercise of any Swedish Statutory Loss Absorption Powers by a Relevant Resolution Authority with respect to the Notes will not be an Event of Default with respect to such Notes.

**15. Indemnification of Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment or to take any other action under or pursuant to the Trust Deed unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Bank or any of its Subsidiaries without accounting for any profit resulting therefrom and to act as trustee for the holders of any other securities issued by the Bank or any of its Subsidiaries.

## **16. Meetings of Noteholders; Modification; Waiver; Substitution**

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of audio or video conference call) to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions, the Agency Agreement, the Trust Deed, the Notes or the Coupons. An Extraordinary Resolution is defined in the Trust Deed to mean a resolution passed by a majority of not less than 75 per cent. of the votes cast at a meeting or adjourned meeting of the Noteholders convened to consider the relevant Extraordinary Resolution. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority of the nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present being or representing Noteholders whatever the nominal amount of the Notes held or represented by them, except that at any meeting, the business of which includes, *inter alia*, reduction of the amount, or variation of the currency of or postponement of the date for payment of, principal or interest in respect of the Notes, or (in the case of Additional Tier 1 Notes) the relevant Trigger Level, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding.

Any resolution passed at any meeting of the Noteholders will be binding on all the Noteholders, whether or not they are present at the meeting, and on all the holders of the Coupons relating to the Notes.

The Trust Deed also (i) provides for a resolution in writing signed by or on behalf of holders of not less than three-quarters of the nominal amount of the Notes of a particular Series for the time being outstanding to be as effective and binding as if it were an Extraordinary Resolution duly passed at a meeting of the holders of the Notes and (ii) contains provisions for convening a meeting of the holders of a single Series of Notes and the holders of notes of other Series in certain circumstances where the Trustee so decides.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification (subject to certain exceptions) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, the Notes or the Coupons or determine that any event which would or might otherwise be an Event of Default shall not be treated as such if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby or to any modification which is of a formal, minor or technical nature or which is made to correct a manifest error.

In addition, the Trustee shall be obliged to (i) concur with the Bank in effecting such consequential amendments to these Conditions and the Trust Deed as may be required in order to give effect to any Benchmark Amendments or Benchmark Replacement Conforming Changes in the circumstances and as otherwise set out in Condition 7(d) or Condition 7(e), as applicable, and (ii) participate in or assist the Bank with any substitution of the Notes or variation of the terms of the Notes and/or the terms of the Trust Deed in the circumstances and as otherwise set out in Condition 8(j) or (k)), in each case without the requirement for the consent or sanction of the Noteholders, Couponholders or Talonholders.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 19.

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Bank to the substitution in place of the Bank (or of any previous substitute under this Condition) as the principal debtor under the Notes and the Coupons and the Trust Deed of any Successor in

Business (as defined in the Trust Deed) or any Subsidiary of the Bank or any holding company of the Bank or any Subsidiary of any such holding company, subject to: —

- (i) (except in the case of the substitution for the Successor in Business of the Bank) the Notes being unconditionally and irrevocably guaranteed by the Bank, such guarantee being, in the case of Subordinated Notes and Additional Tier 1 Notes, subordinated on a basis considered by the Trustee to be equivalent to that referred to in Condition 5 or Condition 6, as applicable, in respect of the Bank's obligations in respect of Subordinated Notes and Additional Tier 1 Notes, as applicable;
- (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and
- (iii) certain other conditions set out in the Trust Deed being complied with.

The Trustee shall, in connection with the exercise by it of the powers, trusts, authorities and discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation, determination or substitution) vested in it by the Trust Deed or these Conditions, have regard to the interests of the Noteholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such exercise for individual Noteholders and Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and shall have absolute and uncontrolled discretion as to the exercise thereof and it shall be in no way responsible to the Noteholders, the Couponholders or the Bank for any loss, costs, damage, expenses or inconvenience which may result from the exercise or non-exercise thereof.

Any modification or waiver of the Trust Deed or these Conditions in accordance with this Condition 16 shall be subject to the Bank's obligation to notify the Relevant Regulator of such modification or waiver or to obtain the prior permission of the Relevant Regulator, as the case may be, if such notice or permission is required by the Relevant Rules.

## **17. Replacement of Notes, Coupons and Talons**

Should any Note, Coupon or Talon be mutilated, defaced or destroyed or be lost or stolen, it may be replaced at the specified office of the Agent in London (or such other place as may be notified to the Noteholders), in accordance with all applicable laws and regulations, upon payment by the claimant of the expenses incurred by the Bank and the Agent in connection therewith and on such terms as to evidence, indemnity, security or otherwise as the Bank and the Agent may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## **18. Prescription**

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date relating thereto. Any moneys paid by the Bank to the Agent for the payment of principal or interest in respect of the Notes and remaining unclaimed for two years after the date on which such principal or interest shall have become due shall (at the Bank's request) be repaid by the Agent to the Bank, and the holders of the relevant Notes or Coupons shall thereafter only look to the Bank for any payment which such holders may be entitled to collect.

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 18 or Condition 10(b) or any Talon which would be void pursuant to Condition 10(b).

## **19. Notices**

All notices regarding the Notes shall be published in one leading English language daily newspaper with circulation in London or, if this is not practicable, one other English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that publication of notices will normally be made in the Financial Times in London. The Bank shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being admitted to trading. Any such notice shall be deemed to have been given on the date of the first publication or, if required to be published in more than one newspaper, on the date of the first publication in all the required newspapers.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **20. Further Issues**

The Bank shall be at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further Notes ranking *pari passu* and having the same terms and conditions in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single Series with the outstanding Notes of such Series.

## **21. Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **22. Governing Law; Submission to Jurisdiction**

The Trust Deed, the Agency Agreement, the Notes, the Coupons and any non-contractual obligations arising out of or in connection therewith shall be governed by, and shall be construed in accordance with, English law, except that the provisions contained in Conditions 3, 4, 5, 6 and 9 are governed by, and shall be construed in accordance with, Swedish law.

The Bank has in the Trust Deed submitted to the jurisdiction of the courts of England for all purposes in connection with the Trust Deed, the Notes and the Coupons. The address in England for service of process is the London office of the Bank (being Central Head Office, 3 Thomas More Square, London E1W 1WY).

## **23. Swedish Statutory Loss Absorption Powers**

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Bank and any Noteholder (which, for the purposes of this



Condition 23, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes (or any interest therein, whether on issue or otherwise), each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (i) the effect of the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
  - (a) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
  - (b) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Bank or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
  - (c) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
  - (d) the amendment or alteration of the perpetual nature of the Notes (in the case of Additional Tier 1 Notes only), the amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
- (ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority.

## USE OF PROCEEDS

The net proceeds from each issue of Notes will, unless otherwise specified in the applicable Pricing Supplement, be used by the Bank as follows:

- (a) where “General Corporate Purposes” is specified in the applicable Pricing Supplement, for its general corporate purposes; or
- (b) where “Green Bonds” is specified in the applicable Pricing Supplement, the Issuer will apply the net proceeds from such issue of Notes specifically to, in whole or in part, finance or refinance loans and investments that promote the transition to low-carbon, climate resilient and sustainable economies, as well as environmental and ecosystem improvements (“Eligible Green Assets”), as set out in the Bank’s Green Bond Framework (from time to time) available on the Bank’s website (<https://www.handelsbanken.se/en/corporate/financing/sustainable-finance/green-bonds>).

According to the definition criteria set out in the ICMA Green Bond Principles, only Tranches of Notes financing or refinancing Eligible Green Assets will be classified as “Green Bonds”.

For a “Green Bond” to be issued, Eligible Green Assets at least amounting to the intended issuance size must have been identified.

The Bank will, on an annual basis, publish an impact report. The report will include details on the environmental impacts of the Eligible Green Assets at a portfolio level and will be published until the maturity of the relevant Notes and made available on the Bank’s website.

## **SVENSKA HANDELSBANKEN AB (PUBL)**

Svenska Handelsbanken AB (publ) was founded in Stockholm on 5th June, 1871 and its commercial name is “Handelsbanken”. The Bank is a public limited liability banking company incorporated under the banking laws of Sweden and is registered with the Municipality of Stockholm under the registration number 502007-7862. The registered office of the Bank is SE-106 70 Stockholm, Sweden (telephone number: +46 8 701 10 00). The Group is a leading Swedish banking group that provides various investment and other financial services, in addition to its wide range of traditional banking services, both domestically and internationally, for private and corporate customers. These services include financing such as mortgages, bilateral lending to corporates and financing via capital markets, services within the savings area such as asset management, pension and insurance, private banking and different protection solutions as well as various payment solutions. For all product areas, the Group is integrating sustainability into customer relationships and offerings. The Group considers the Nordic Countries, Great Britain and the Netherlands as its home markets and any operations conducted in these areas are considered local operations. As of 31st March, 2020, the Group had 382 branches in Sweden, 45 branches in Norway, 32 branches in Finland, 55 branches in Denmark, 207 branches in Great Britain and 29 branches in the Netherlands. The Group also has limited operations elsewhere in Europe, as well as in Asia and the United States. However, as part of the Bank’s more focused strategy, the international network is in the process of being scaled down and presence outside the six home markets is being concentrated to the branches in Luxembourg and New York. The Group’s average number of employees was 12,514.

The business of the Group is highly decentralised, with each branch office having individual responsibility for coordinating services for its customers, in collaboration with regional and central specialists, as necessary. As such, the Group’s branches, rather than its central units, are responsible for product areas and market segments. However, this decentralised approach is supported by centralised risk management.

The Group’s strategic goal is to achieve a higher level of profitability than the average of peer banks in its home markets and, as a result, to provide shareholders with higher dividend growth than the average for those banks. The Bank operates with an organic growth strategy.

While the Group has previously aimed at being a full-service bank, a comprehensive project was initiated during the second quarter of 2019 to implement a partly new strategic direction, aiming to concentrate the Bank’s business to a number of core areas as well as focus on what the Bank has identified as core customers. In doing so, the Bank believes that good conditions will be created for long-term, sustainable profit growth.

By discontinuing, or refraining from offering, certain products and services in areas where the Bank has limited market potential, low earnings or elevated risk, the Bank enhances its ability to allocate resources to developing and strengthening its offerings in areas where the Bank enjoys good profitability, or recognises the conditions to achieve this at low risk. The assessment is that such a streamlining of the Bank’s business operations will also help in strengthening and accelerating the widespread digitalisation work in progress at the Bank.

It was decided to focus completely on the products and services where there is actual demand, with solutions and markets with good earnings and an acceptable level of risk, while closing down the parts with low demand, high risk or where the Bank does not have a competitive offering. The focus is now on the Group’s core business, including lending, savings and payments. At the same time, additional resources have been channeled towards the creation of entirely digital customer relationships, from the identification of potential new customers to fully developed business relationships. The customers should be able to move seamless between different channels in which they meet the Bank.

## Principal Shareholders

As of 31st December, 2019, the Bank had more than 120,000 shareholders. The majority of shareholders are private individuals who owned only a small number of shares. 2,197 shareholders owned more than 20,001 shares, including a number of asset managers who represent foreign private individuals and legal entities. As of 31st December, 2019, approximately 48 per cent. of the Bank's shares were owned by investors outside Sweden whereas approximately 35 per cent. of the shares were owned by the 15 largest Swedish shareholders (comprised of large Swedish institutional investors including insurance companies, investment companies and equity funds mainly representing a large number of private individuals). The Bank is not aware of any shareholder or group of connected shareholders who directly or indirectly control the Bank.

As of 31st December, 2019, the major shareholders (being shareholders controlling 6 per cent. or more of voting rights) were as follows:

	% of votes
AB Industrivärden	10.3
The Oktogonen Foundation	10.2

The Group has implemented a profit-sharing system for its employees and, with the exception of five years, the Group has allocated a percentage of its profit to this profit-sharing system every year since 1973. All employees receive an equal percentage of the allocation amount. The funds allocated under this profit-sharing system are managed by the Oktogonen and a significant portion of these funds have been invested in shares of the Bank, leaving Oktogonen as one of the Bank's largest shareholders. Allocations to the profit-sharing system are primarily determined based on the Group's return on equity after standard notional tax in accordance with the overall goal established by the Board. However, whether an allocation is made or not is at the discretion of the Board. The profit-sharing system is based on the idea that the Bank's employees should receive a portion of the extra earnings in which they have played such a large part.

## Place of listing of the Bank's shares

The Bank's shares are listed on Nasdaq Stockholm AB ("Nasdaq Stockholm").

## Organisation and Management

Although the Group has seven principal operating segments for reporting purposes, the Group is currently organised into a central head office in Stockholm (the "Central Head Office") and 14 regional banks, of which five cover the Bank's operations in different parts of Sweden, three cover the other Nordic countries, five cover Great Britain and one covers the Netherlands.

Each branch office located in the Group's home markets reports to and is supervised by its respective regional head office. The Group's regional banks enjoy a high degree of independence with regard to market policy, lending and administration and each regional bank offers a full range of banking services through its branches.

Handelsbanken Sweden is responsible for the branch operations in Sweden and the five Swedish regional banks. The four regional banks located in each of Denmark, Norway, Finland and the Netherlands are responsible for the branch operations in Denmark, Norway, Finland and the Netherlands, respectively.

Since 1st December, 2018, the Bank's business operations in the UK have been conducted through the wholly owned subsidiary, Handelsbanken plc, which is made up of five regional banks throughout the UK. Each regional bank consists of a regional head office and a number of branch offices.

Handelsbanken Capital Markets consists of Markets, Asset Management, Pension & Life and Handelsbanken International.

Markets offers products and services related to risk management, securities, derivatives, debt capital markets and corporate finance. Asset Management offers a full range of products and services linked to asset management and co-ordinates the Bank's offering in the savings area.

Handelsbanken International encompasses the Bank's branches and representative offices outside the Bank's home markets, as well as the Financial Institutions (global banking collaborations) and Transaction Banking (cash management, trade finance and export finance) units.

Pension & Life comprises the subsidiary Handelsbanken Liv and offers pension solutions and other insurance solutions for private and corporate customers.

The Central Head Office consists of the Central Executive Office, the management and Stockholm operations of Handelsbanken Capital Markets, Group Treasury and a number of administrative and service departments.

The Bank is an underwriter, broker and dealer in securities in Sweden and is a member of Nasdaq Stockholm and the Nordic Growth Market. The Bank is also a member of the stock exchanges in Copenhagen, Helsinki and Oslo and is also a trading participant at various Multilateral Trading Facilities such as Spotlight Stock Market and BATS Chi-X Europe.

Overall responsibility for the administration of the Bank is vested in the Board. The Banking and Financing Activities Act (*Sw. lag (2004: 297) om bank-och finansieringsrörelse*) requires a bank to have a board of directors consisting of no fewer than three members. Pursuant to the provisions of the Articles of Association of the Bank, the shareholders may elect no fewer than eight and not more than 15 full members of the Board at the Annual General Meeting. Pursuant to special legislation, affecting Swedish companies of a certain size, employee organisations have appointed two permanent and two substitute employee representatives to the board. The Board currently consists of 11 Directors. The Board normally meets at least nine times during a calendar year and on other occasions, if required, to consider major policy matters and developments, large lending proposals and other relevant business.

The President, as the Group Chief Executive Officer of the Bank, is responsible for carrying out the policies of the Board, for the current management of the Bank's operations and for co-ordination of the Bank's central divisions and regional banks.

The Board has its registered office in the municipality of Stockholm. The members of the Board, whose business addresses, in their capacity as members of the Board of the Bank, are SE-106 70, Stockholm, are as follows:

<i>Name</i>	<i>Responsibilities in the bank</i>	<i>Principal outside activities</i>
Pär Boman	Chairman	Chairman of Svenska Cellulosa AB SCA and Essity AB, Vice Chairman of AB Industrivärden and Board member of Skanska AB.

<i>Name</i>	<i>Responsibilities in the bank</i>	<i>Principal outside activities</i>
Fredrik Lundberg	Vice Chairman	President and Group Chief Executive of L E Lundbergföretagen AB, Chairman of AB Industrivärden, Holmen AB and Hufvudstaden AB, Board member of L E Lundbergföretagen AB and Skanska AB.
<i>Carina Åkerström</i>	President and Group Chief Executive	Deputy Chair of the Swedish Bankers' Association, Board Member of the World Childhood Foundation.
Jon Fredrik Baksaas	Board Member	Board member of Telefonaktiebolaget LM Ericsson and Statnett SF.
Hans Biörck	Board Member	Chairman of Skanska AB and Trelleborg AB.
Kerstin Hessius	Board Member	CEO AP3, the Third Swedish National Pension Fund, Board member of Öresundsbro Konsortiet, Hemsö Fastighets AB, Trenum AB, Svensk-Danska Broförbindelsen SVEDAB AB and Vasakronan AB.
Anna Hjelmberg	Board Member, Employee representative	
Lise Kaae	Board Member	CEO HeartLand A/S, Board member of Whiteway A/S and various companies within the HeartLandGroup.
Lena Renström	Board Member, Employee representative	
Ulf Riese	Board Member	
Arja Taaveniku	Board Member	Board Member Mekonomen AB
<b>Deputy Employee Representatives</b>		

<i>Name</i>	<i>Responsibilities in the bank</i>	<i>Principal outside activities</i>
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Stefan Henricson

Charlotte Uriz

The members of the Executive Management of the Group, whose business addresses, in their capacity as members of the Executive Management of the Group, are SE-106 70, Stockholm, are as follows:

#### Executive Management

<i>Name</i>	<i>Title</i>
Carina Åkerström	President and Group Chief Executive
Per Beckman	Chief Credit Officer, Group Credits
Carl Cederschiöld	CFO, Group Finance
Magnus Ericsson	Chief Human Resources Officer, Group HR
Mattias Forsberg	CIO, IT and Infrastructure
Jan Larsson	Chief Communications Officer, Group Communication and Sustainability
Dan Lindwall	Head of Handelsbanken Capital Markets
Martin Wasteson	Chief Legal Officer, Group Legal

#### Co-opted to the Bank's executive management

<i>Name</i>	<i>Title</i>
Katarina Ljungqvist	Head Business Development, Sweden
Michael Green	Head Handelsbanken Stockholm

#### Group-wide independent control functions

<i>Name</i>	<i>Title</i>
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Maria Hedin CRO, Group Risk Control

Tord Jonerot<sup>2</sup> Chief Audit Executive, Group Audit

Martin Noréus Chief Compliance Officer, Group Compliance

The Bank is not aware of any potential conflicts of interest between the duties to the Group of each of the members of the Board and each of the members of the Senior Management of the Group listed above and his/her private interests or other duties.

### **Regulatory Environment**

For more than a century, banking in Sweden has been subject to close government inspection and control. The SFSA is the supervisory authority for Swedish credit institutions. The SFSA's supervisory responsibility encompasses, among other things, banks and other credit institutions, as well as insurance companies, securities businesses, fund managers and Nasdaq Stockholm. This supervisory responsibility also extends to the international branches of Swedish banks. The SFSA's overall objective is to contribute to the stability and efficiency of the financial system as well as to promote consumer protection.

The SFSA's supervision is conducted through analysis of reports regarding, among other things, capital adequacy, large exposures and financial statements and through on-site inspections to ensure that each bank's operations comply with Swedish banking laws and regulations.

The SFSA has regulatory powers conferred by law, including the power to issue accounting regulations, to require banks to submit monthly financial statements and a variety of risk reports and to carry out periodic reviews to ensure that each bank's operations comply with the laws regulating banking operations as well as such bank's Articles of Association. The SFSA has the power to appoint one or more auditors who, together with auditors elected by the shareholders at the annual general meeting of each bank, examine the financial statements and the administration of such bank. The SFSA has not appointed an auditor since the fiscal year 2006.

The Bank's corporate existence is of unlimited duration.

### **Capital Adequacy**

According to the current capital adequacy framework the Group must have common equity tier 1 capital of at least 4.5 per cent., tier 1 capital of at least 6 per cent., and total own funds that correspond to at least 8 per cent. of the total risk-weighted exposure amount for credit risks, market risks and operational risks.

From 31st December, 2018, Swedish mortgage loans are subject to a risk weight floor in Pillar 1, in accordance with Article 458 of the CRR. The floor has a direct effect on the risk-weighted exposure amount and it is therefore reflected in the minimum capital requirements of the Group.

In addition to maintaining capital to meet the minimum capital requirements, the Group must also maintain common equity tier 1 capital to comply with the combined buffer requirement, which in

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<sup>2</sup> Mårten Bjurman will replace Tord Jonerot as Chief Audit Executive effective 1 September 2020.



Sweden comprises the sum of a capital conservation buffer of 2.5 per cent. a countercyclical buffer of 0.0 per cent. and a systemic risk buffer of 3 per cent.

As of 16th March, 2020, a countercyclical buffer of 0.0 per cent. has been applied in Sweden. As to countercyclical buffer requirements for exposures outside of Sweden, the SFSA will recognise buffer levels of up to 2.5 per cent. decided by a competent authority in the country in which such exposures reside. In Norway, the buffer is currently 1.0 per cent. In Denmark and in the UK the buffer requirement is currently 0.0 per cent. The low countercyclical buffer requirements are a consequence of the spread of COVID-19 and its impact on the economy, and it is currently expected that the measures will remain in place for a period of at least two years.

In addition to the above-mentioned requirements, the Group must hold capital for requirements under Pillar 2 of the regulations. These requirements are specific to each institution and are decided by the supervisory authority. Various factors are assessed within Pillar 2, such as concentration risks, pension risk, interest rate risk in other operations, additional systemic risk needs, etc. The SFSA also calculates the need to hold a capital planning buffer. The capital planning buffer does not result in any further capital requirements for the Bank as long as it is not larger than the capital conservation buffer.

A risk weight floor of 22 per cent. applies to Norwegian mortgage loans and as of 1st January, 2018 a risk weight floor of 15 per cent. applies for Finnish mortgage loans. There is also a buffer requirement for systemic risk of 2 per cent. within Pillar 2. Since the introduction of Basel II in 2007, in its internal capital adequacy assessment process, the Group has kept considerably more capital for mortgage loans than is formally required under Pillar 1 using the internal ratings based (“IRB”) approach. The SFSA decided on 22nd August, 2018 to impose an institution specific Pillar 1 risk weight floor of 25 per cent. for exposures in Swedish mortgages covered by the IRB approach. The decision applies from 31st December, 2018 until 30th December, 2020. The Group has to apply an average risk weight floor of 25 per cent. to exposures in Swedish mortgages in Pillar 1. The Group must also perform an internal capital assessment. The Group’s capital policy – most recently adopted in 2020 – states the guidelines for the internal capital adequacy assessment. The Group must also comply with a capital requirement at the financial conglomerate level in accordance with the Swedish Financial Conglomerates (Special Supervision) Act (*Sw. lag (2006:531) om särskild tillsyn över finansiella konglomerat*).

All surcharges within the framework of Pillar 2 are made in the overall capital assessment, i.e. the SFSA’s individual assessment of the Bank’s capital requirements. The assessment is in addition to the minimum requirements set out in Pillar 1 and normally the SFSA will not formally decide on the Pillar 2 requirements. In the absence of a formal decision, the SFSA’s overall capital assessment will not affect the level when automatic restrictions on dividends, etc. come into force.

On 1st March, 2016, the SFSA published two consultation memorandums regarding suggested increased capital requirements primarily for exposures to corporates applicable to banks that use the IRB approach. The suggested amendments include a new method for calculating the probability of default and the introduction of a maturity floor. On 24th May, 2016, the SFSA formally adopted the methods it will use in its supervision of the internal models and for the maturity floor which is introduced for the banks’ corporate exposures. In brief, these methods entail, firstly, that the banks’ estimates of probability of default should anticipate more frequent economic downturns, with higher default rates. Secondly, a maturity floor of 2.5 years is implemented under Pillar 2 for banks that have authorisation to use the advanced IRB approach, which is based on the banks’ internal risk models in respect of all risk components rather than only the probability of default. Certain exemptions are permitted. Following the adoption by the SFSA of these methods, the Group sought permission to apply a new method for estimating the probability of default in corporate exposures. Such approval was received at the end of March 2017.

With regard to its common equity tier 1 ratio, the Bank aims to exceed, under normal circumstances, the common equity tier 1 capital requirement communicated to the Bank by the SFSA by a margin of 1-3 per cent.

The common equity tier 1 ratio as at 31st March, 2020 was 17.6 per cent. The SFSA's common equity tier 1 capital requirement for the Group at such date amounted to 13.9 per cent. The Bank's common equity tier 1 ratio was thus above its target range as at such date.

On 28th January, 2020, the SFSA published its memorandum regarding higher capital requirements on lending with collateral in commercial properties in Sweden. The Bank's assessment is that, on implementation, which is anticipated in the third quarter 2020, the common equity tier 1 capital requirement will rise by around 0.4 per cent. through an addition in Pillar 2. In Norway, the authorities have decided to introduce a higher capital requirement on lending with collateral in commercial properties. This will be introduced in Pillar 1 in late 2020, which will increase the Bank's risk exposure amount. The Bank's view is that the effect will be that the buffer above the common equity tier 1 capital requirement will, on introduction, decrease by approximately 0.4 per cent.

In December 2017, the Basel Committee published proposals for extensive changes to capital requirements regulations. The Bank's overall assessment of the Basel Committee's proposal, as presented in December 2017, is that at the end of the fourth quarter of 2019, the Bank's capitalisation was consistent with the capital requirements that the proposal would entail. In addition, the Swedish National Debt Office announced the Minimum Requirement for Eligible Liabilities, MREL, in December 2018. The combined MREL requirement was set at 6.2 per cent. of the consolidated situation's total liabilities and own funds ("TLOF") and from 1st January, 2020 the corresponding requirement amounts to 5.8 per cent. At the end of 2019, the Group had liabilities that were MREL eligible in a total amount corresponding to 11.7 per cent. of TLOF. By 1st January, 2024, the Bank is expected to have refinanced certain of its senior indebtedness with a new form of subordinated senior indebtedness that is MREL eligible.

In addition to the above-mentioned requirements, on 23rd November, 2016, the European Commission, as part of its European Union Banking Reform, published legislative proposals for amendments to the BRRD by way of the BRRD Amendment and proposed a reform of the CRR and the CRD Directive by way of the CRR/CRD Amendment Proposal, which included a proposal for a binding leverage ratio requirement of 3 per cent. The leverage ratio is a capital ratio defined in the CRR and will need to be met by Tier 1 capital. The CRR/CRD Amendment Proposal further introduces requirements that are more risk sensitive according to the standardised approach in terms of market risk, counterparty risk and central counterparties as well as harmonised binding requirements for stable funding, revised conditions for use of internal models and changes to the Relevant Regulator's application of the institution specific Pillar 2 capital add-ons. The BRRD Amendment and the CRR/CRD Amendment Proposal have been subject to substantial negotiations between the Council of the EU, the European Parliament and the European Commission. On 16th April, 2019 and 14th May, 2019, the European Parliament and the Council of the EU, respectively, adopted the BRRD Amendment and the CRR/CRD Amendment Proposal.

The CRR/CRD Amendment Proposal was published in the Official Journal of the European Union on 7th June, 2019 by way of: (i) the CRR II amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and (ii) the CRD V Directive amending the CRD Directive as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The amended version of the CRR and the CRD Directive entered into force on 27th June, 2019. The date of application of the new rules varies from the date of entry into force and between 12 months and four years after the entry into force.

The BRRD Amendment was published in the Official Journal of the European Union on 7th June, 2019 by way of BRRD II amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms. The amended version of the BRRD entered into force on 27th June, 2019. The date of application of the new rules is 18 months after the entry into force (with certain exemptions). The amendments made to the BRRD and the CRD Directive will have to be implemented in the national laws of the EU member states, whereas the changes made to the CRR will be directly applicable in the EU member states. The Swedish government has appointed a commission to propose the legislative changes required for implementation, and such proposal was published on 13th December, 2019. After formal referral rounds, the Swedish Government will issue a bill to be passed in Parliament. Under the CRD V and BRRD II, the Swedish legislative changes will need to take effect no later than by 28th December, 2020.

The following table sets forth an analysis of the Group's capital adequacy as of 31st March, 2020:

Common equity tier 1 ratio, CRR .....	17.6%
Tier 1 ratio, CRR.....	19.9%
Total capital ratio, CRR .....	22.4%
Risk exposure amount CRR, SEK millions .....	740,993

## **Risk Management**

### ***Credit risk***

Credit exposures within the Group are managed in accordance with a credit policy established by the Board of Directors (the "Board").

The responsibility for the Issuer's credit exposure lies with its branches. Responsibility for credit decisions rests with the branch that manages the relevant customer's relationship. Branch managers and most account managers have a personal decision limit within which they have sole responsibility for their credit decisions. This personal limit determines the total amount of credit which a specific branch manager or account manager can grant to a customer. For decisions on larger credits, there are regional and central decision levels. Each additional level of decision adds credit expertise and each decision level has the right to reject credits both within their own decision level and also credits which would otherwise have been decided at a higher level. The largest credits have been reviewed by Group Credits and decided by the Board or the credit committee set up by the Board. However, no credit application may be processed in the Bank without the recommendation of the branch manager who is responsible for the credit, with the exception of credit decisions made via automatic modelling. The Bank believes that this decentralised approach allows for a better assessment of the credit risks of each individual customer, both at the time credit is extended and throughout the duration of the credit.

### ***Operational risk***

Operational risk occurs in all operations at the Group. The responsibility for identifying, assessing and managing operational risk is therefore part of managerial responsibility at all levels of the Group. The Group's decentralised method of work and cost awareness promotes good management of operational risk which leads to vigilance against potential loss risk in daily routines and events. Operational errors and deficiencies are reduced as far as possible. This applies to minor but frequent events and major events which could cause major unexpected losses. The strong focus on

good administrative order in the Group also contributes to all parts of the operations keeping their risks at a level which is in line with the Group's strict view of risk. Management of operational risk is carried out in the business operations and its management is checked by local risk control functions and Group Risk Control.

The Board has established the Group's tolerance of operational risk. While the Group has a low tolerance of operational risk, it is an inevitable component of all of the Group's operations. Significant operational risks that could cause major operational losses are reduced through risk mitigation measures to a lower risk level such that the consequences and/or probability of an incident become acceptable and lie within the Group's tolerance for operational risk.

Specially appointed local coordinators for operational risk are in place at regional banks, main departments, subsidiaries and units outside the Group's home markets to assist managers in their processing of operational risk. They are responsible for ensuring that existing methods and procedures for managing operational risk are used in the business operations, managing follow-up on reported incidents, supporting the business operations, and following up any actions decided regarding operational risk.

Group Risk Control has the overall responsibility for the methods and procedures used to manage operational risk, and for periodically assessing methods and procedures as well as their use in the operations. Group Risk Control is also responsible for ensuring that risks are evaluated before decisions are made concerning new or materially changed products, services, markets, processes or IT systems or in the case of major changes in the Group's operations or organisational structure. Group Risk Control is also responsible for analysing and reporting the Group's operational risk to senior management and the Board.

As an aid to continual identification, assessment and management of operational risk, the Bank has a reporting and case management system for incidents, a method and routine for self-assessment of operational risk and risk indicators.

### ***Liquidity risk***

The Bank has low tolerance for liquidity risk and works actively to minimise such risk overall and for each currency. The Bank aims to have good access to liquidity, a low level of variation in income and the capacity to meet customers' funding needs. This is achieved by maintaining appropriate matching of incoming and outgoing cash flows over time in all currencies essential to the Bank and by maintaining large liquidity reserves of good quality.

Group Treasury is responsible for maintaining an updated contingency plan for the Group's liquidity risk management, in order to better prepare for potential disruptions in the financial markets that may have a temporary or long-term effect on the Group's liquidity. Under this plan, a regular analysis is performed on the Group's liquidity, including development of gap-analyses, as well as benchmarks for funding volatility and funding costs. The Group also performs tests to determine the effect on liquidity of certain scenarios such as substantially reduced deposit volumes and high utilisation of committed credit lines. Group Treasury has overall responsibility for the Group's liquidity and funding.

In addition to daily liquidity management, the Group maintains contingency reserves as part of its strategy to prepare for potential disruptions in the financial markets. It is the Group's policy that, subject to limited exceptions, liquidity in SEK must be in balance at the end of each working day.

The liquidity coverage ratio ("LCR") has been a binding requirement for banks in the EU since the European Commission introduced its Delegated Regulation (EU) 2015/61. The figure stipulates the ratio between the Bank's liquidity buffer and its net cash flows in a very stressed

scenario during a 30-day period. The requirement applies at aggregate level and the ratio must be at least 100%. In addition to this, the SFSA also exercises supervision of LCR in individual currencies within the framework of the supervisory review and evaluation process in Pillar 2 as the EU's minimum requirement does not currently extend to a quantitative requirement in individual currencies. As of 31st December, 2019 the Group's aggregated LCR calculated according to the European Commission's definition, was 147%, which shows that the Group has significant resistance to short-term disruptions in the funding markets. This also applies in U.S. dollars and euros.

The Group strives to maintain well-diversified sources of funding in terms of currencies, markets and funding instruments. The Group maintains a variety of programmes in order to have readily available access to international and Swedish capital markets. Short-term funding is obtained through active commercial paper programmes in Sweden, the United States and Europe. Long-term funding is obtained through covered bond issues mainly in SEK and utilisation of other funding programmes of the Group. Group Treasury is responsible for maintaining a proper balance in the maturities of assets and liabilities.

### ***Market risk***

At the Bank, market risks arise when the Bank's customers request services for which the Bank must have flexible funding. The Bank can also obtain funding in markets other than those in which it does its lending so that it can diversify its sources of funding. The funding can have a different interest-fixing period than the assets which are to be funded. Market risks can also arise in the Group Treasury's liquidity portfolio, which can be converted into liquidity at short notice in conjunction with possible disruptions in the markets where the Bank conducts its operations. The portfolio secures the Group's payments in the daily clearing operations and forms part of the Bank's liquidity reserve. Market risks also arise when meeting customers' demand for financial instruments with exposure to the fixed income, foreign exchange, equity or commodity markets. As a consequence, it may be necessary for the Bank to hold certain positions. This situation arises, for example, when the Bank has undertaken to quote prices in its role as a market maker. Market risks in the Bank's business operations arise, and thus are managed, mainly at Group Treasury and Handelsbanken Capital Markets, although they also exist at Handelsbanken Liv.

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

The Group attempts to eliminate a significant portion of interest rate risk by entering into interest rate swap agreements. In general, interest rate risk exposure is in markets which are characterised by good liquidity.

The Bank measures and limits interest rate risk with methods that capture general interest rate risk, specific interest rate risk and non linear interest rate risk.

### ***Equity price risk***

The Group's exposure to equity price risk primarily arises at Handelsbanken Capital Markets through customer trading and the bank's own equity holdings. The Group uses pre-defined stress scenarios, simulating significant changes in underlying share prices and volatilities, to measure equity price risk and establish acceptable limits.

### ***Exchange rate risk***

The Group has home markets outside Sweden and also operations in a number of other countries. Indirect currency exposure of a structural nature therefore arises, because the Group's accounts are expressed in Swedish kronor. This structural risk is managed by considering the trade-off between the respective impacts of exchange rate movements on either capital ratios or equity. The

Group's direct foreign exchange exposure arises as a consequence of customer-driven intra-day trading in the international foreign exchange markets conducted at Handelsbanken Capital Markets. Some foreign exchange exposure also arises in the normal banking operations as part of managing customer payment flows and in funding operations at Central Treasury. The Board, CEO and CFO have set position limits for these risks.

### ***Commodity price risk***

The Bank limits and measures the commodity price risk in Handelsbanken Capital Markets with methods that captures both commodity price risk and non-linear risk effectively, and is measured as the absolute total of risk for all commodities to which the Bank is exposed. Commodity price risk is restricted by limits determined by the Board, CEO and CFO.

### ***Insurance risk***

Insurance risk at Handelsbanken Liv can be divided into the following categories:

- *Mortality risk* – The risk of loss, or of adverse change in the value of insurance commitments, resulting from changes in the levels of and trends in, or changes in the volatility of, mortality. Increased mortality leads to an increase in the value of the insurance commitments.
- *Longevity risk* – The risk of loss, or of adverse change in the value of insurance commitments, resulting from changes in the levels of and trends in, or changes in the volatility of, mortality. Decreased mortality leads to an increase in the value of the insurance commitments.
- *Disability and morbidity risk* – The risk of loss, or of adverse change in the value of insurance commitments, resulting from changes in the levels of and trends in, or changes in the volatility of, illness and recovery.
- *Lapse risk* – The risk of loss, or of adverse change in the value of insurance commitments, resulting from changes in the level or volatility of lapses, terminations, renewals and surrender.
- *Operating expense risk* – The risk of loss, or of adverse change in the value of insurance commitments, resulting from changes in the levels of and trends in, or changes in the volatility of, operating expenses for insurance contracts.
- *Revision risk* – The risk of loss, or of adverse change in the value of insurance commitments, resulting from changes in the levels of and trends in the revision rates for periodic disbursements, due to changes in regulatory requirements, the legal environment or the state of health of persons insured.
- *Catastrophe risk* – The risk of loss, or of adverse change in the value of insurance commitments, resulting from the significant uncertainty of pricing and provisioning assumptions related to extreme or irregular events.

An individual policy may include exposure to a combination of these risks. The Group's insurance company, Handelsbanken Liv, which is a profit-distributing insurance company, bears these risks. As such, a medical risk assessment is performed on potential purchasers of insurance.

### ***Risks in the remuneration system***

The Group has low tolerance of remuneration risks and actively strives to keep them at a low level. Variable remuneration is applied with caution and is not offered to employees whose professional activities have a material impact on the Bank's risk profile.

At the Bank, remuneration is established individually when an employee takes up a new position and in local salary reviews. Taking into account the collective agreements that are binding upon the Bank or corresponding local standardised contracts or agreements, remuneration is based on the Bank's model for setting salaries and the salary-setting factors it specifies, namely: the nature and level of difficulty of the work, competency and skills, work performance and results achieved, leadership, the market, and being a cultural ambassador for the Bank. These principles have been applied for many years. They mean that managers at all levels participate regularly in salary reviews, and take responsibility for implementing the Bank's salary policy and their own unit's staff costs.

### ***Compliance risk***

The work of compliance aims to identify compliance risks and to ensure that the requisite action is taken to manage them.

The compliance function is organised into both Group Compliance and local compliance units in subsidiaries and other legal entities. All compliance units must be independent of the business operations and organisationally separate from the functions and areas which are subject to control. Employees in compliance units must not perform any operational tasks which are part of the business operation they are responsible for monitoring. The Chief Compliance Officer reports on significant areas judged to have a major or critical risk at least every quarter to the CEO, every six months to the Board's risk committee and annually to the Board. The reports also contain an assessment of the actions that the business operation teams have taken to manage the risks and deficiencies identified.

### ***Subsidiaries***

Significant subsidiaries within the Group include the following:

Stadshypotek AB provides mortgage loans for single family houses, second homes, apartments in housing co-operatives, agricultural/forestry properties, multi-family dwellings, commercial properties and office buildings. Stadshypotek AB's activities are concentrated in Sweden, but in recent years branches have been established in each of Norway, Denmark and Finland. Stadshypotek's operations are fully integrated with the Bank's branch operations in these countries.

Handelsbanken plc is the Bank's wholly owned subsidiary in the UK through which the business operations in the UK are conducted. The UK branch's business activities were migrated to the subsidiary as of 1st December, 2018. Handelsbanken plc has a network of over 200 branches across the UK, organised into five regional banks, and provides a full range of banking services to private and corporate clients according to the same principles as the rest of the Group.

Handelsbanken Fonder Group manages and administers the Group's mutual funds and manages and administers funds on a discretionary basis for customers. The Handelsbanken Fonder Group markets and sells its mutual funds in Sweden, Norway, Finland, Denmark and Luxembourg.

The Group's wholly-owned subsidiary Handelsbanken Liv offers a wide range of life insurance products, such as individual pension insurance, occupational pensions, group life insurance, unit-linked insurance and health and accident insurance, as well as endowment insurance. Handelsbanken Liv has operations in Sweden, Norway and Finland, and its products are marketed and sold through the Group's branch network in these countries.

## **TAXATION**

### **Swedish Taxation**

*The following summary outlines certain Swedish tax consequences relating to holders of Notes. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary does not address, inter alia, situations where Notes are held in an investment savings account (Sw. investeringssparkonto), the tax consequences of a write-down or conversion of the Notes, the existence of the ability of relevant regulatory authorities to effect such a write-down or conversion, any tax consequences following a variation or substitution (instead of redemption) of any Notes or the rules regarding reporting obligations for, among others, payers of interest. Further, the summary does not address credit of foreign taxes in Sweden. Investors should consult a professional tax adviser regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Notes in their particular circumstances.*

#### ***Holders not tax resident in Sweden***

Payments of any principal or any amount that is considered to be interest for Swedish tax purposes to the holder of any Notes should not be subject to Swedish income tax, provided that such a holder (i) is not resident in Sweden for Swedish tax purposes and (ii) does not have a permanent establishment in Sweden with which the Notes are effectively connected.

If the Notes are deemed to be securities taxed as shares, private individuals who have been residents of Sweden for tax purposes due to a habitual abode in Sweden or a continuous stay in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption are liable for capital gains taxation in Sweden upon disposal or redemption of such Notes. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty for the avoidance of double taxation.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal or any amount that is considered to be interest for Swedish tax purposes except in relation to certain payments of interest (and other returns on Notes) to a private individual (or the estate of a deceased individual) who is (or was) resident in Sweden for Swedish tax purposes (see “Holders tax resident in Sweden” below).

#### ***Holders tax resident in Sweden***

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (for example, income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realises a capital loss on the Notes and to any currency exchange gains or losses.

If amounts that are deemed as interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.



## **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” (as defined by FATCA) may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting or related requirements. The Bank is a foreign financial institution for these purposes. A number of jurisdictions (including Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply (i) prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and (ii) to Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition 20) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

## **The proposed Financial Transaction Tax (“FTT”)**

On 14th February, 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (together, the “participating Member States”) and Estonia. However, Estonia has ceased to participate.

The Commission’s Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is, or is deemed to be, “established” in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## **SUBSCRIPTION AND SALE**

The Dealers have in an amended and restated Programme Agreement (such Programme Agreement as further amended and restated and/or supplemented from time to time, the “Programme Agreement”) dated 17th June, 2020 agreed with the Bank a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above and will, *inter alia*, make provision for 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 Issuer in respect of such purchase. In the Programme Agreement, the Bank has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme. The Programme Agreement makes provision for the resignation or renewal of existing Dealers and the appointment of additional Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### **United States**

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder.

The applicable Pricing Supplement will identify whether TEFRA C rules apply or whether TEFRA is not applicable.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent, warrant and agree, that it will not offer, sell or deliver any Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of such Notes of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to agree, that it will send to each dealer or any other purchaser to which it sells any Notes during the distribution compliance period 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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### **Prohibition of Sales to EEA and UK Retail Investors**

If the applicable Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not

offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the EEA or the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the applicable Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA and the UK (each, a “Relevant State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of such Notes to the public” in relation to any Notes 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.

## **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that:-

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets

Act 2000 (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 the Issuer was not an authorised person, apply to the Issuer; and

- (b) 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 UK.

## **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 and each other Purchaser 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, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (1) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA; (2) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments)(Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

## **General**

Each Dealer has agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Bank nor any Dealer shall have any responsibility therefor.

None of the Bank and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Listing of Notes

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on GEM for a period of 12 months from the date of this Offering Circular.

However, Notes may be issued pursuant to the Programme which will not be admitted to listing on the Official List and admitted to trading and/or quotation by the GEM or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Bank and the relevant Dealer(s) may agree.

### Authorisation

The Programme and the issue of Notes thereunder have been duly authorised by a resolution of the Board of the Bank passed on 25th March, 2020. No consents, approvals, authorisations or other orders of regulatory authorities are required to be obtained by the Bank under the laws of Sweden, unless otherwise set out herein, in connection with the issue of Notes or to enable the Bank to undertake and perform its obligations under the Programme Agreement, the Trust Deed, the Agency Agreement and the Notes.

### Euroclear and Clearstream, Luxembourg

The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The appropriate codes for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be contained in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction.

The address of Euroclear is 3 Boulevard du Roi Albert III, B.1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.

### Significant/Material Adverse Change

(i) Except as disclosed in “*Risk Factors—The COVID-19 outbreak could have a material adverse effect on the Group’s business, results of operations and financial position*”, there has been no significant change in the financial or trading position of the Bank or the Group since 31st March, 2020 and (ii) except as disclosed in “*Risk Factors—The COVID-19 outbreak could have a material adverse effect on the Group’s business, results of operations and financial position*” and except in relation to the Group’s financial or trading position as at and for the three months ended 31 March 2020, there has been no material adverse change in the financial position or prospects of the Bank or the Group since 31st December, 2019.

### Litigation

Neither the Bank nor any of its subsidiaries is or has been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), which may have, or have had during the twelve months prior to the date hereof, significant effects on the financial position or profitability of the Bank and/or the Group.

## **Statutory Auditors**

The auditors of the Bank and the Group named in the following two paragraphs have audited the accounts of the Bank and the Group in accordance with auditing standards generally accepted for banking companies in the Kingdom of Sweden and without qualification for each of the financial years ended 31st December, 2018 and 2019 respectively.

The auditors of the Bank and the Group for the fiscal years ended 31st December, 2018 and 31st December, 2019 were Ernst & Young AB with Jesper Nilsson as auditor in charge, Box 7850 SE-103 99 Stockholm and PricewaterhouseCoopers AB with Johan Rippe as auditor in charge, SE-113 97 Stockholm.

The auditors are Authorised Public Accountants and are members of FAR, the Swedish Institute of Authorised Public Accountants. None of the auditors named above has a material interest in the Issuer.

## **Documents Available for Inspection**

For the life of the Offering Circular and so long as the Notes are listed on the Official List and admitted to trading on GEM, physical copies in English of the following documents will, when published, be available from the registered office of the Bank in Stockholm and from the specified office of each of the Paying Agents:-

- (a) an English translation of the Articles of Association of the Bank;
- (b) the annual report of the Bank and the annual audited consolidated accounts of the Group (in English) in respect of the financial years ended 31st December, 2019 and 2018, respectively, and the interim unaudited consolidated financial statements of the Group (in English) for the three-month period ended 31st March, 2020;
- (c) the Trust Deed, (which contains the forms of the global Notes, the definitive Notes, the Coupons and the Talons) and the Agency Agreement;
- (d) this Offering Circular; and
- (e) any future prospectuses, offering circulars, information memoranda, supplementary offering circulars including the Pricing Supplement to this Offering Circular and any other documents incorporated herein or therein by reference; however, a Pricing Supplement relating to a Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Agent as to its holding of Notes and identity).

## **Dealers transacting with the Bank**

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates and such Dealers may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of its business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account

and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Language of this Offering Circular**

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### **Irish Listing Agent**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Bank in connection with the Programme and is not itself seeking admission of the Notes issued under the Programme to the Official List or trading on the GEM for the purposes of the Prospectus Regulation.



## REGISTERED OFFICE OF THE BANK

Kungsträdgårdsgatan 2  
SE-106 70 Stockholm

## DEALERS

### **Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2  
Ireland D02 RF29

### **BNP Paribas**

16, boulevard des Italiens  
75009 Paris  
France

### **Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt am Main

### **Commerzbank Aktiengesellschaft**

Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main

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**Printed by**  
**Allen & Overy LLP**  
0042509-0000606 UKO2: 2000254982.16