BASE PROSPECTUS

Klarna.

Klarna Bank AB (publ)

(Incorporated with limited liability in the Kingdom of Sweden)

and

Klarna Holding AB (publ)

(Incorporated with limited liability in the Kingdom of Sweden)

EUR 3,000,000,000

Euro Medium Term Note Programme

Under the EUR 3,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), Klarna Bank AB (publ) ("**Klarna Bank**") and Klarna Holding AB (publ) ("**Klarna Holding**", and together with Klarna Bank, the "**Issuers**" and each an "**Issuer**"), subject to all applicable legal and regulatory requirements, may from time to time issue medium term notes in bearer or registered form (respectively, "**Bearer Notes**" and "**Registered Notes**" and together, the "**Notes**"). The aggregate principal amount of Notes outstanding at any one time will not exceed EUR 3,000,000,000 or the equivalent in other currencies.

Notes may be issued on a continuing basis to one or more of the dealers specified under "*Overview of the Programme*" and any additional dealer(s) appointed under the Programme from time to time by the Issuers (each a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuers or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to the Notes which are to be admitted to trading on the regulated market (the "**Regulated Market of Euronext Dublin**") of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") or on another regulated market in the European Economic Area (the "**EEA**") for the purposes of Directive 2014/65/EU (as amended) ("**MiFID II**") and/or which are to be offered to the public in any Member State of the EEA in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus (other than Exempt Notes (as defined below)) to be admitted to its official list (the "**Official List**") and to trading on the Regulated Market of Euronext Dublin. The Regulated Market of Euronext Dublin is a regulated market for the purposes of MiFID II. References in this Base Prospectus 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 Regulated Market of Euronext Dublin.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA for the purposes of MiFID II. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Programme also provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges, markets or quotation systems as may be agreed between the relevant Issuer and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Articles 1(4) and 3(2) of the Prospectus Regulation. The requirement to publish a prospectus under the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") only applies to Notes which are admitted to trading on a United Kingdom ("**UK**") regulated market as defined in Regulation (EU) No. 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**") and/or offered to the public in the United Kingdom other than in circumstances where an exemption is available under section 86 of the FSMA. References in this Base Prospectus to "Exempt Notes" are to Notes for which no prospectus is required to be published under the Prospectus Regulation or the FSMA. The Central Bank of Ireland has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

The Notes will be subject to Swedish Statutory Loss Absorption Powers (as defined below), as described in "*Term and Conditions of the Notes – Governing Law, Jurisdiction and Swedish Statutory Loss Absorption Powers*".

There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand (see "Risk Factors" on pages 7 – 35 of this Base Prospectus).

Klarna Bank has been assigned ratings of A-3 (short term) and BBB- (long term) from S&P Global Ratings Europe Limited ("**Standard & Poor's**") and Klarna Holding has been assigned ratings of B (short term) and BB+ (long term) from Standard & Poor's; Standard & Poor's is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). Standard & Poor's is not established in the UK but is part of a group in respect of which one of its undertakings is (i) established in the UK and (ii) is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). As such, the ratings issued by Standard & Poor's may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche (as defined below) of Notes is rated, such rating will be specified in the applicable Final Terms (as defined below) or, in the case of Exempt Notes, the applicable Pricing Supplement (as defined below) and will not necessarily be the same as the ratings assigned to the Programme. A credit 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 NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY INCLUDE NOTES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS EXCEPT TO CERTAIN NON-U.S. PERSONS IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. SEE "SUBSCRIPTION AND SALE" FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE NOTES.

Arranger of the Programme

J.P. Morgan

Dealers

BNP PARIBAS	**Citigroup**	**J.P. Morgan**
Nordea	**SEB**	**Swedbank**

The date of this Base Prospectus is 7 October 2024.

IMPORTANT NOTICE

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

Each Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms or, in the case of Exempt Notes, the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuers the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus as completed by the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, makes no omission likely to affect the import of such information.

The Issuers have confirmed to the Dealers that this Base Prospectus contains all information which is material in the context of the Programme or the issue of the relevant Notes; that this Base Prospectus is true and accurate in all material respects and is not misleading and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make statements herein, in light of the circumstances under which they are made, not misleading and; there are no other facts in relation thereto the omission of which would, in the context of the Programme or the issue of the relevant Notes, make any statement herein misleading in any material respect; that all reasonable enquiries have been made to verify the foregoing; and that the opinions and intentions expressed herein are honestly held or made. The Issuers have further confirmed to the Dealers that this Base Prospectus together with, in relation to any Tranche of Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, contains the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer, of the rights attaching to the relevant Notes and the reasons for any issuance and its impact on the relevant Issuer.

In relation to any Tranche, the aggregate nominal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and certain other information which is relevant to such Tranche will be set out in a final terms document ("**Final Terms**") or, in the case of Exempt Notes, a pricing supplement ("**Pricing Supplement**"). In relation to Notes to be listed on Euronext Dublin, the Final Terms will be filed with the Central Bank of Ireland on or before the date of issue of the Notes of such Tranche. Copies of Final Terms relating to Notes listed on Euronext Dublin will be published on the website of Euronext Dublin at https://live.euronext.com.

This Base Prospectus is to be read in conjunction with any amendment or supplement hereto, all information which is deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*") and, in relation to any Tranche, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. This Base Prospectus shall be read and construed on the basis that such information is incorporated in, and forms part of, this Base Prospectus.

Other than in relation to the information which is deemed to be incorporated by reference herein (see "*Information Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

The Issuers have not authorised the making or provision of any representation or information regarding the Issuers or the Notes other than as contained or incorporated by reference in this Base Prospectus, in the Dealer Agreement (as defined under "*Subscription and Sale*"), in any other document prepared in connection with the Programme or any Final Terms or, in the case of Exempt Notes, any Pricing Supplement or as approved for such purpose by the Issuers. Any such representation or information should not be relied upon as having been authorised by the Issuers, any of the Dealers or the Trustee (as defined under "*Terms and Conditions of the Notes*").

None of this Base Prospectus, any financial statements and any other information supplied in connection with the Programme or any Notes is intended to provide the basis of any credit or other evaluation of the Issuers. Neither this Base Prospectus nor any Final Terms or, in the case of Exempt Notes, any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuers, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms or, in the case of Exempt Notes, any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Base Prospectus, any Final Terms or, in the case of Exempt Notes, any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers.

Neither the delivery of this Base Prospectus, any Final Terms or, in the case of Exempt Notes, any Pricing Supplement nor the offering, sale or delivery of any Notes shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of either Issuer since the date hereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented. Investors should review, *inter alia,* the most recent financial statements of the Issuers when deciding whether or not to purchase any Notes. No representation or warranty is made or implied by the Dealers or any of their respective affiliates or the Trustee, and neither the Dealers nor any of their respective affiliates nor the Trustee makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuers in connection with the Programme.

Neither the Issuers nor any of the Dealers nor the Trustee represents that this Base Prospectus may be lawfully distributed, or that the Notes may be offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. The distribution of this Base Prospectus and any Final Terms or, in the case of Exempt Notes, any Pricing Supplement, and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms or, in the case of Exempt Notes, any Pricing Supplement, comes are required by the Issuers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus, any Final Terms or, in the case of Exempt Notes, any Pricing Supplement and other offering material relating to the Notes, see "*Subscription and Sale*". Neither this Base Prospectus nor any Final Terms or, in the case of Exempt Notes, any Pricing Supplement, may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

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

(i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;

(iv) understands thoroughly the terms of the relevant Notes and is familiar with the behaviour of any relevant indices and financial markets; and

(v) 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.

Legal investment considerations may restrict certain investments. 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 (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) 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.

In this Base Prospectus, 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 Base Prospectus.

All references in this Base Prospectus to "**U.S. dollars**", "**USD**", "**U.S.$**" and "**$**" refer to United States dollars; references to "**GBP**" and "**£**" refer to Pounds sterling; references to "**SEK**" or "**Krona**" refer to Swedish Krona; and references to "**EUR**", "**Euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Unless otherwise indicated, references to the "**Group**" are to Klarna Holding and its subsidiaries taken as a whole and references to the "**Bank Group**" are to Klarna Bank and its subsidiaries taken as a whole.

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. In the case of Notes other than Exempt Notes, any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") or, as the case may be, Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmarks Regulation or, as the case may be, the UK Financial Conduct Authority's ("**FCA**") register of administrators under Article 36 of the UK Benchmarks Regulation. Transitional provisions in the EU Benchmarks Regulation or, as the case may be, the UK Benchmarks Regulation, may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator under the EU Benchmarks Regulation or, as the case may be, the UK Benchmarks Regulation, is a matter of public record and, save where required by applicable law, the Issuers do not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator.

IMPORTANT – EEA RETAIL INVESTORS

If the applicable Final Terms in respect of any Notes or, in the case of Exempt Notes, the applicable Pricing Supplement includes a legend titled "Prohibition of Sales to EEA 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. 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UNITED KINGDOM RETAIL INVESTORS

If the applicable Final Terms in respect of any Notes or, in the case of Exempt Notes, the applicable Pricing Supplement includes a legend titled "Prohibition of Sales to 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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

In respect of each issue of Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement will include a legend titled "MiFID II Product Governance" which will outline the target market assessment in respect of the relevant Notes and which channels for distribution of the relevant Notes are appropriate. Any person subsequently offering, selling or recommending such 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 such 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 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither J.P. Morgan SE (the "**Arranger**") nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET

In respect of each issue of Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement may include a legend titled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the relevant Notes and which channels for distribution of the relevant Notes are appropriate. Any distributor (as defined above) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of such 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 UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME, (THE "SFA")

Unless otherwise stated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, 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).

IMPORTANT – CANADA

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offering of the Notes.

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 FINAL TERMS OR, IN THE CASE OF EXEMPT NOTES, 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 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, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

PRESENTATION OF FINANCIAL INFORMATION

Each of the Issuers is required to maintain its financial accounts in SEK in accordance with relevant laws and regulations in Sweden, including the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (Sw: *lag (1995:1559) om årsredovisning i kreditinstitut och värdepappersbolag*).

The financial information relating to Klarna Bank set forth herein has, unless otherwise indicated, been derived from the unaudited consolidated income statement, balance sheet and cash flows as at and for the six months ended 30 June 2024 and 2023 (the "**Klarna Bank Unaudited Interim Condensed Financial Statements**") and its audited consolidated income statement, balance sheet and cash flows as at and for the years ended 31 December 2023 and 2022 (the "**Klarna Bank Audited Financial Statements**" and together with the Klarna Bank Unaudited Interim Condensed Financial Statements, the "**Klarna Bank Financial Statements**").

The financial information relating to Klarna Holding set forth herein has, unless otherwise indicated, been derived from its audited consolidated income statement, balance sheet and cash flows as at and for the years ended 31 December 2023 and 2022 (the "**Klarna Holding Audited Financial Statements**" and together with the Klarna Bank Audited Financial Statements, the "**Audited Financial Statements**"). The Audited Financial Statements, which have been incorporated by reference to this Base Prospectus, were prepared in accordance with International Financial Reporting Standards ("**IFRS**") and the Swedish version of the Audited Financial Statements has been audited by Ernst & Young AB, whose report thereon (translated to English) is also incorporated by reference into this Base Prospectus.

The Klarna Bank Unaudited Interim Condensed Financial Statements have been incorporated by reference in this Base Prospectus and were prepared based on the management accounts of Klarna Bank which are maintained on the basis of and in accordance with IAS 34 and have been reviewed by Ernst & Young AB. However, they have not been subject to an audit.

Klarna Holding is not required to, and has not, published interim financial information for any interim period other than as at and for the six months ended 30 June of each financial year.

Certain amounts which appear in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be the sum of the figures which precede them.

TABLE OF CONTENTS

Page

OVERVIEW OF THE PROGRAMME 1

RISK FACTORS 7

INFORMATION INCORPORATED BY REFERENCE 36

TERMS AND CONDITIONS OF THE NOTES 40

USE AND ESTIMATED NET AMOUNTS OF PROCEEDS 107

FORM OF NOTES; SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM 108

FORM OF FINAL TERMS 111

FORM OF PRICING SUPPLEMENT 127

KLARNA HOLDING 142

KLARNA BANK 145

RISK MANAGEMENT 153

MANAGEMENT 155

CERTAIN REGULATORY CONSIDERATIONS 160

TAXATION 164

SUBSCRIPTION AND SALE 165

GENERAL INFORMATION 172

OVERVIEW OF THE PROGRAMME

This overview should be understood as an introduction to this Base Prospectus, and highlights information presented in greater detail elsewhere in this Base Prospectus. 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 Base Prospectus before investing, including "Risk Factors", the audited annual accounts and consolidated accounts of the Issuers incorporated by reference in this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. Each decision to invest in any Notes should be based on an assessment of the entire Base Prospectus.

This Overview of the Programme constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus shall have the same meanings in this overview. References in this overview to the "Issuer" are to Klarna Bank or Klarna Holding, as the case may be, as the Issuer of the Notes as indicated in Part A of the applicable Final Terms or Pricing Supplement.

Issuers	Klarna Bank AB (publ) Klarna Holding AB (publ)
Issuers' Legal Entity Identifiers (LEI)	Klarna Bank: 549300O3HXYXXUHR0897 Klarna Holding: 984500CCFABF562J8533
Website of the Issuers	www.klarna.com
Arranger	J.P. Morgan SE
Dealers	BNP PARIBAS, Citigroup Global Markets Europe AG, J.P. Morgan SE, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Swedbank AB (publ) and any other dealer appointed from time to time by the Issuers either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Initial Programme Amount	EUR 3,000,000,000 (or the equivalent in any other currency at the date of the agreement to issue any Notes) in aggregate principal amount of Notes outstanding at any one time under the Programme. The aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.
Issuance in Series	Notes will be issued in series (each, a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") issued on different issue dates. The Notes of each Series will all be subject to identical terms, whether as to currency, interest, maturity or otherwise, save that Issue Dates, Interest Commencement Dates and Issue Prices may be different. A Series may only be comprised of Notes in bearer form or Notes in registered form.

Form of Notes	Notes may be issued in bearer form or in registered form, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.
Offering and Sale	Subject to compliance with all applicable legal and regulatory requirements, the Notes may be distributed by way of private or public placement on a syndicated or non-syndicated basis.
Currencies	Notes may be denominated in any currency or currencies (including, without limitation, Danish Kroner ("**DKK**"), Euro ("**EUR**" or "**Euro**"), Norwegian Kroner ("**NOK**"), Pounds Sterling ("**GBP**"), Swedish Krona ("**SEK**") and United States Dollars ("**USD**" or "**U.S.$**")) subject to compliance with all applicable legal and/or regulatory requirements and/or central bank requirements.
Status	Notes may be issued on a senior preferred basis ("**Senior Preferred Notes**"), on a senior non-preferred basis ("**Senior Non-Preferred Notes**") or on a subordinated basis ("**Subordinated Notes**"), as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. *Senior Preferred Notes* Senior Preferred Notes will constitute unsubordinated and unsecured obligations of the Issuer and the claims of Holders thereof shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank as described in Condition 3(a)(ii) in relation to the claims of other creditors. *Senior Non-Preferred Notes* Senior Non-Preferred Notes will constitute unsubordinated and unsecured obligations of the Issuer and the claims of Holders thereof shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank as described in Condition 3(b)(ii) in relation to the claims of other creditors. *Subordinated Notes* Subordinated Notes will constitute subordinated and unsecured obligations of the Issuer and the claims of Holders thereof shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank as described in Condition 3(c)(ii) in relation to the claims of other creditors.
Issue Price	The Notes will be issued on a fully-paid basis and may be issued at any price, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

Maturities	Notes may have any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Redemption	Notes (other than Exempt Notes) will be redeemable at par or, in the case of Exempt Notes only, may be redeemable at par or such other redemption amount as may be specified in the applicable Pricing Supplement, as determined between the Issuer and the relevant Dealer.
Early Redemption	Early redemption will be permitted: (i) upon the occurrence of a Withholding Tax Event and where "Tax Event Call" is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the occurrence of a Tax Event as described in Condition 5(b); (ii) in the case of Subordinated Notes, where "Redemption upon occurrence of Capital Event and amounts payable on redemption thereof" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the occurrence of a Capital Event as described in Condition 5(h); (iii) where "Redemption upon occurrence of a MREL Disqualification Event and amounts payable on redemption thereof" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the occurrence of a MREL Disqualification Event as described in Condition 5(i); and (iv) where "Clean-Up Call Option" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, if the Clean-Up Call Minimum Percentage (or more) of the principal amount outstanding of a Series of Notes has been redeemed or purchased and subsequently cancelled as described in Condition 5(l), but will otherwise be permitted only to the extent specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and subject to compliance with all applicable laws and regulations.

	Any such early redemption will be subject, among other things, to obtaining the prior consent of the Relevant Regulator (if such consent is required). See Condition 5(j).
Substitution or Variation	Where the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that Condition 5(k) applies to a Series of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, if at any time (i) in any case, a MREL Disqualification Event occurs and is continuing; (ii) (in the case of Subordinated Notes) a Capital Event occurs and is continuing; (iii) in any case, a Withholding Tax Event occurs and is continuing; (iv) in any case, where "Tax Event Call" is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, a Tax Event occurs and is continuing; or (v) in any case, in order to ensure the effectiveness and enforceability of Condition 18(f), the Issuer may, subject to Condition 5(j), substitute such Senior Preferred Notes, such Senior Non-Preferred Notes or such Subordinated Notes, as the case may be, for, or vary their terms so that or provided that (as the case may be) they remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, as further provided in Condition 5(k).
Interest	Notes may be interest-bearing or non-interest bearing.
Benchmark Discontinuation	If "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement in relation to a Floating Rate Note or a Reset Note, in the event that the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments as described in Condition 4(d). If (i) the Specified Currency is U.S. dollars and the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement is SOFR (Index) and (ii) "Benchmark Discontinuation – ARRC SOFR" is also specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for a Floating Rate Note, and the Issuer determines that a

Benchmark Transition Event and its replacement Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates as described in Condition 4(e).

Denominations	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer subject to compliance with all applicable legal and/or regulatory and/or central bank (or equivalent body) requirements (see "*Maturities*" above), provided however, that the minimum denomination of each Note admitted to trading on a regulated market within the EEA for the purposes of MiFID II or offered to the public in a Member State of the EEA or in the UK in circumstances which require the publication of a prospectus under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, will be €100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency as at the date of issue of the relevant Notes).
Taxation	Payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to the exceptions set out in "*Terms and Conditions of the Notes — Taxation*") pay (in respect of payments of interest only) such additional amounts as will result in the holders of Notes or Coupons ("**Holders**") receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.
Negative Pledge	None.
Cross-Default	None.
Governing Law	The Notes, all related contractual documentation 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 Condition 3 of the Terms and Conditions of the Notes and Clause 5 of the Trust Deed shall be governed by, and construed in accordance with, Swedish law.
Swedish Statutory Loss Absorption powers	The Notes will be subject to Swedish Statutory Loss Absorption Powers, as described in "*Terms and Conditions of the Notes – Governing Law, Jurisdiction and Swedish Statutory Loss Absorption Powers*."

Listing and Admission to Trading	Application has been made to Euronext Dublin for certain Notes issued under the Programme to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges, markets or quotation systems agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets and/or quotation systems.
Terms and Conditions	Each Tranche will be the subject of the Final Terms or, in the case of Exempt Notes, the Pricing Supplement, which, for the purposes of that Tranche only, completes and/or (in the case of Exempt Notes only) such Pricing Supplement that amends and/or replaces the Terms and Conditions of the Notes and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as completed by the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and/or (in the case of Exempt Notes only) amended and/or replaced by the applicable Pricing Supplement. See also "Exempt Notes" below.
Exempt Notes	The Issuer may agree with any Dealer and the Trustee that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event the relevant provisions will be included in the relevant Pricing Supplement.
Clearing Systems	Euroclear and/or Clearstream, Luxembourg (each as defined in the Terms and Conditions of the Notes) in relation to any Notes, as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.
Selling Restrictions	There are certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials in the United States of America, to retail investors in the EEA, in the UK, in Italy, in Japan, in Hong Kong, in Singapore and in Switzerland. Further restrictions may be required in connection with any particular Tranche of Notes and will be specified in the documentation relating to such Tranche.
Trustee	BNY Mellon Corporate Trustee Services Limited
Principal Paying Agent	The Bank of New York Mellon, London Branch
Registrar	The Bank of New York Mellon SA/NV, Dublin Branch

RISK FACTORS

Prior to any investment decision, it is important to carefully analyse the risk factors considered to be material. Set out below is a description of risks that are considered to be of importance for Klarna Holding, Klarna Bank, the Group and the Notes. Prospective investors should make an independent evaluation, with or without help from advisors, of the risks associated with an investment in the Notes.

The risk factors set out below are limited to risks which are specific to the Group and/or to the Notes and which are assessed to be material for taking an informed investment decision. The Group's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Base Prospectus. Any of the risks described below could have a material adverse effect on the Group's business, results of operations, financial condition, prospects and reputation and on the ability of the Issuers to make payments of principal and interest on the Notes issued by them and the market value of such Notes.

The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section. References in this section to the "Issuer" are to the Klarna Bank or Klarna Holding, as the case may be, as the Issuer of the Notes as indicated in Part A of the applicable Final Terms or Pricing Supplement.

Risks relating to the Group

Economic and market risks

Competition in the financial services industry

The Group is a retail bank and payment solutions provider across Europe, North America, Australia and New Zealand. The business is primarily comprised of payment solutions and consumer lending products for use in both the online and physical retail environment. As a part of this business, the Group offers retailers the ability to offer debit payments (Pay Now) and point of sale financing options (Pay Later and Financing) through a single API (application programming interface) product known as "Klarna Payments", plus a full checkout management solution (though see "*Klarna Holding - Business Operations – Klarna Checkout – Divestment Announcement*" with respect to the planned divestment of the Klarna Checkout business) and end-consumers direct payment solutions and point of sale credit online. Further, the Group shopping mobile application (Klarna App) allows consumers to make online purchases at any retailer using Group's range of payment products. The Group's in-store offer is integrated with retailers' existing point of sale systems, allowing consumers to access a payment link offering the Group's payments products via QR code, email or text message. In addition, the Group offers (in certain countries) the "Klarna Card", a physical card which allows consumers to use the Group's debit- and credit products in stores and online.

The markets in which the Group operates are characterised by a high degree of competition and fragmentation, and the strong demand growth in these markets for the products that the Group offers has led to increased competition. In some cases, consumers have the possibility to choose either the Group or a competing service at the point of purchase. To attract consumers in these cases, the Group is dependent on its ability to offer payment solutions that resonate with consumers and maintain the public image of being a trusted and attractive brand. Increased competition that leads to the Group losing customers or market shares would adversely affect its net sales and growth.

There are a number of competitors that provide similar products in the countries where the Group operates. These competitors are either active in the provision of checkout methods, in the supply of credit at checkout, or both. The competitors can broadly be divided into two groups: technology-driven companies and traditional finance companies. Lately, the general interest in offering buy now pay later services has increased which has led to market consolidations through global strategic acquisitions and new/competing product offerings from established technology-driven companies.

In addition, the Group's business is affected by the number of retailers that are willing to offer the Group's products to their online shopping customers. The Group's business is therefore dependent on its ability to keep its existing business relationship with retailers, and its ability to attract new ones. If the Group fails to keep its existing important business relationship with retailers or attract new ones, it would adversely affect the Group's operations, with decreased net sales and declined results of operations as consequences.

The degree to which competition in the financial service industry may affect the Group is uncertain and presents a highly significant risk to the competitive position of the Group.

Risks relating to the current macroeconomic environment

As the success of the Group's product offering is dependent on the level of general household consumption, there is a risk that the demand for the Group's products is adversely affected by factors such as changes in consumer trends, levels of consumption, demographic patterns, customer preference and financial conditions in the markets the Group operates in, all of which are affected by general macroeconomic conditions. Over recent years, the global financial markets have experienced significant volatility and have been adversely affected by concerns over economic contraction, consumer price inflation, rising government debt levels, credit rating downgrades and the risk of default or restructuring of government debt. Since the Group's business is dependent on the transaction volumes of consumers choosing the Group's payment solution as their preferred payment method, reduced consumer confidence and/or willingness to spend money as a result of a general deterioration of the macroeconomic environment in the Group's geographical markets affecting consumers' disposable income may decrease the demand for the Group's products, thus adversely affecting its net sales and results of operations.

Persistent inflation, while itself affecting the willingness and ability of consumers to purchase goods, has been compounded by central banks' reaction in increasing interest rates significantly after a long period of low interest rates. This increase in interest rates has affected the ability of consumers to afford higher costs of borrowing and has reduced disposable income further, resulting in decreased consumption which could accordingly decrease demand for the Group's products. The recent increasing interest rate environment has had a negative effect on the Group's cost of funding over the last twelve months and any further increase in rates would continue to have an adverse effect on the Group's financial position. A continued deterioration of the macroeconomic climate, as well as the resulting likely high unemployment rates in the markets in which the Group operates may also adversely affect the Group's customers' ability to repay their credit loans which may lead to higher default rates and cause the Group's performance to suffer.

Since the Group is subject to risks related to the macroeconomic environment, the Group is affected by extraordinary events such as regional public health epidemics or global pandemics (such as COVID-19), which may negatively affect the global economy as a whole, or geo-political events such as the Russian invasion of Ukraine. While the Group does not provide any consumer lending, have any registered traders or have any employees in Russia, Belarus or Ukraine, the Group is subject to risks related to the macroeconomic environment, and is thus affected by global conflicts that may negatively affect the global economy. The degree to which macroeconomic and geopolitical factors, such as distress in the financial markets, rising inflation and interest rates, and the situation in Ukraine, may affect the Group is uncertain and presents a significant risk to its access to financing and funding costs.

Business risks

Credit risk

Credit risk is the potential risk of financial loss arising from the failure of a counterparty to fulfil its financial obligations as they fall due (and such loss is not covered by any collateral). The Group is subject to credit risk primarily from defaulting or fraudulent end-consumers using the Group's payment services for shopping. This risk is increased by the fact that the Group's consumer credit is not subject to any security and accordingly is not covered by any collateral. In addition, the Group is exposed to credit risk from defaulting merchants and financial institutions with which the Group co-operates. A defaulting merchant loss arises when a merchant is not able to meet its obligations and causes a loss to the Group in the event of a default (from customer compensation as a result of returns, disputes or unfulfilled orders).

Credit risk also includes concentration risk, i.e. the risk relating to large exposures to a group of inter-linked customers. In addition, the Group is exposed to risks associated with deterioration in the credit quality of its customers which can be driven by, for example, socio-economic or customer-specific factors linked to economic performance. Should the Group expand into new markets, the aforementioned risks are especially high since the credit and fraud models lack historical data when entering a new market. The Group uses a self-developed scoring model for the credit assessment of its customers and collects certain data in pursuance thereof. Due to, among other things, the different regulations in the countries where the Group operates and the accessibility to credit checks and local differences in customer behaviour, the scoring models are adapted for every country. There is a risk that the estimates on which models for calculating future potential impairments and credit losses are based are inaccurate, which risks leading to increased credit losses and impairments. A failure of the Group's counterparties to fulfil their financial obligations towards the Group as they fall due would have an adverse impact on the Group's financial position.

Further, if the Group's financial position deteriorates, it is likely that the credit risk associated with the Notes will increase, as there would be an increased risk that the relevant Issuer cannot fulfil its obligations under such Notes. A significantly increased credit risk would most likely result in the market pricing debt instruments, such as Notes, with a higher risk premium, which would adversely affect the value of such debt instruments. Another aspect of the credit risk is that a deteriorated financial position can result in a lower credit-worthiness, which risks affecting the Group's ability to refinance the Notes and other existing debt, which in turn risks adversely affecting the Group's operations, results of operations and financial position.

The Group has entered into agreements with third party investors whereby the credit risk arising from originated loans for certain products in certain jurisdictions is assumed by the investors. In addition, the Group has entered into an agreement to sell certain loan assets on an ongoing basis to a third party investor. These transactions are subject to performance criteria which Klarna must comply with during the term of the agreements. In addition, the agreements have defined maturities and there can be no guarantee Klarna will be able to replace or extend them at maturity on comparable terms. Any failure to replace or extend these agreements these could have a material adverse effect on the Group's financial position.

As of 30 June 2024, the Group's total lending credit exposure amounted to SEK 93,889 million out of which SEK 89,919 million was loans to the public and SEK 3,970 million was loans to credit institutions for liquidity purposes. In total, the Group reported SEK 2,393 million in net credit losses, for the period January-June 2024. The degree to which credit risks may affect the Group is uncertain and presents a highly significant risk to the credit quality of the Group's assets.

Operational risks

The Group's business depends on its ability to process a large number of transactions efficiently and accurately and on a high-pace development of the product offering and customer experience. Furthermore, as a predominately online company, the Group is particularly exposed to cyber-security and cyber-crime risks. There

is a risk that measures taken by the Group to cope with cyber-security and cyber-crime risks are insufficient. Prolonged interruption or extensive failure of the Group's information technology, or external or internal fraudulent activity (for example, in accounts management) on considerable scale or on the Group's most significant merchants, would impair the Group's ability to provide services effectively, in turn causing direct financial loss and compromising its strategic initiatives. Significant technology failure or underperformance, or material fraudulent activity not timely mitigated or suspended, would also increase the Group's litigation and regulatory exposure or require it to incur higher administrative costs (including remediation costs). Further, a loss of any customer database would be an expensive and time-consuming endeavour to retrieve or recreate and would have a material adverse effect on the Group's business, financial condition and results of operations.

Operating in a changing environment means that the Group takes on risks related to its business model and strategy. Should the Group expand into new markets, there is a risk that operational risks related to, among other things, the setup of new processes and employing new staff would increase. There is also a risk that the Group fails to develop business intelligence systems, to monitor and manage collections, to maintain financial and operating controls, to monitor and manage its risk exposures across the Group, to provide high-quality customer service and to develop and sell profitable products and services in the future. Any such significant failures would have a material adverse effect on the Group's expansion and growth.

The Group is also dependent on existing key executives and staff in order to sustain, develop and grow its business, and there is a risk that these employees will not remain with the Group. Any loss of key personnel, such as the Group's CEO and co-founder or management team, or an inability to attract, retain and motivate employees required for the continuation and expansion of the Group's activities, may have a material adverse effect on the Group's business, financial condition and results of operation. In particular, the Group's reliance on technology for the success and security of its product offering means that it requires highly skilled employees that are in high demand and not easily replaced on acceptable terms or at all. The failure to attract, retain and motivate sufficiently skilled employees may result in disruption and errors in manual and semi-manual processes, as well as external and internal fraud, any of which may have a material adverse effect on the Group's business, results of operation or reputation. The degree to which such operational risks may affect the Group is uncertain and presents a highly significant risk to the operations of the Group.

Funding and liquidity risks

The Group is exposed to funding risks, meaning the risk of the Group not being able to fund an increase in lending assets or meet obligations when they fall due, without incurring increased costs. The risk arises when there is a negative difference in the duration of liabilities and assets, or if there is insufficient funding to finance the Group's expansion. If the Group's access to funding was to be constrained for a prolonged period of time, competition for retail deposits and the general cost of funding would increase. This would increase the Group's cost of funding and, therefore, have a material adverse effect on the Group's net interest margin.

Funding risks can be exacerbated by enterprise-specific factors, such as over-reliance on a particular source of funding or changes in the Group's credit-worthiness, or by market wide phenomena, such as market dislocation. The Group's ability to access funding sources on satisfactory economic terms is subject to a variety of factors, including a number of factors outside of the Group's control. There is a risk that the funding structure employed by the Group is inefficient should its funding levels significantly exceed its funding needs, which risks giving rise to increased funding costs that may not be sustainable in the long term.

As at the date of this Base Prospectus, Klarna Bank has a credit rating from Standard & Poor's of BBB- and A-3 (long term and short term, respectively) and Klarna Holding has a credit rating from Standard & Poor's of BB+ and B (long term and short term, respectively). There is no requirement on either Klarna Holding or Klarna Bank to maintain these credit ratings and they may be revised, suspended or withdrawn by the rating agency at any time. Any downgrade of either Issuer's credit rating may increase the Group's borrowing costs, adversely

affect the liquidity position of the Group, limit its access to the capital markets or undermine confidence in and the competitive position of the Group, and limiting the range of counterparties willing to enter into transactions with the Group. Any of the events above could lead to increased funding costs, and could therefore have a material adverse effect on the Group's business and results of operations.

Furthermore, short-term liquidity risk measures the risk of the Group being negatively impacted in the short term by a lack of liquidity. Structural liquidity risk measures the risk of mismatch between assets and liabilities in terms of maturities, which risks leading to a lack of liquidity in the longer term. The Group is also subject to liquidity requirements in its capacity as a credit institution supervised by the Swedish FSA, including a statutory requirement to maintain sufficient liquidity to enable it to discharge its obligations as they fall due. Any significant inability of the Group to anticipate future liquidity and provide for unforeseen decreases or changes in funding sources would have consequences for the relevant Issuer's ability to meet its payment obligations under the Notes when they fall due and thus result in Holders not being paid in a timely manner.

The majority of the Group's funding consists of deposits from the general public, the majority of which have a fixed maturity. As of 30 June 2024, the Group's total financial liabilities amounted to SEK 129,820 million, of which deposits from the public comprised the largest part, totalling SEK 106,323 million. The Group's credit receivables have a significantly shorter average duration than the average maturity of the Group's deposit base. If the duration of receivables were to increase significantly as a result of a prolonged financial downturn making repayments more difficult or undesirable, or otherwise, or the average maturity of deposits reduced significantly, this would be likely to have an adverse effect on the Group's liquidity position.

The degree to which funding and liquidity risks may affect the Group is uncertain and presents a highly significant risk to the relevant Issuer's ability to meet its payment obligations when they fall due.

Reliance on third-parties

The Group's business relies in part on certain service and business process outsourcing and other partners. For example, the Group has outsourced parts of its deposit taking business in Sweden, Germany, Netherlands, Spain, France and Ireland to third party providers and is dependent on partnering with third party banks to originate consumer loans for the provision of regulated credit in the U.S. For the Group's product offering, significant suppliers include Nordea Bank Abp for provision of Bank ID and Autogiro services. Furthermore, some of the Group's critical business systems are dependent on third party software and infrastructure, such as the Group's business transaction platform which is supported by third party software. The Group has also outsourced other functions such as internal audit, IT-infrastructure and certain parts of its customer service. Certain IP-rights, such as software licences and similar related systems are used by the Group to operate and its business is dependent on the continued access to such IP-rights. There is a risk that the Group is unable to replace these relationships on commercially reasonable terms. Seeking alternative relationships also risks being time consuming and resulting in interruptions to the Group's business. Significant failure of the Group's third party providers to perform their services in accordance with the Group's standards, and any extensive deterioration in or loss of any key relationships would have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, the Group is exposed to the risk that its outsourcing partners and other third parties commit fraud with respect to the services that the Group has outsourced to them, that they fail to comply with applicable laws and regulations, such as data protection requirements, or fail to otherwise provide their agreed services to the Group. If these third parties, to a significant extent, violate laws, other regulatory requirements or important contractual obligations to the Group, or otherwise act inappropriately in conducting their business, the Group's business and reputation would be negatively affected. In such cases, the Group also faces the risk of penalties being imposed. Moreover, there is a risk that the Group's methods and procedures for overseeing how

outsourcing partners and other third parties operate their businesses do not detect the occurrence of any violations for a substantial period of time, which would exacerbate the effects of such violations.

The degree to which any negative consequences related to third party providers may affect the Group is uncertain and presents a significant risk to the Group's reputation and business.

Interest rate risk

Significant changes in interest rate levels, yield curves and spreads affect the Group's interest rate margins, due to asset and liability mismatches. The Group is mainly exposed to changes in the spread between the interest rates payable on its funding (the liability side), and the interest rates that it charges its customers (the asset side). The Group also holds a portfolio of High Quality Liquid Assets (HQLA) with interest rate risk on the asset side, in addition to lending to the public. The interest rate risk arises if the Group is unable to re-price its variable rate assets and liabilities at the same time, giving rise to repricing gaps in the short or medium term. Changes in the competitive environment also risk affecting spreads on the Group's lending and deposits. For example, in 2023, the Group's interest payments received and interest expenses paid totalled SEK 4,134 million and SEK 2,144 million, respectively. Accordingly, the Group is to a significant extent exposed to variation in interest rates affecting its interest payments received and interest expenses paid, respectively. The degree to which interest rates may vary is uncertain and presents a significant risk to the Group's financial position.

Currency risk

The Group is exposed to currency risks, which can be divided into translation and transaction risk. Transaction risk is the exchange rate risk associated with the time delay between entering into a contract and settling it. Translation risk arises with the revaluation of earnings, subsidiaries' equity, and receivables of foreign subsidiaries related to the consolidation of the group accounts. The Group has operations in various currencies, notably SEK, NOK, EUR, DKK, USD and GBP. As a result, the Group generates revenues in several different currencies. However, the Group's reporting currency is SEK and, as a consequence, it is exposed to currency risk to the extent that its assets, liabilities, revenues and expenses are denominated in currencies other than SEK. The main currency risk is that currency fluctuations affect the amount of these items in the Group's consolidated financial statements, even if their value has not changed in the original currency. The value of the respective currencies risks being subject to significant fluctuations in exchange rates. Lending operations in foreign currencies have continuously increased and further expansion outside Sweden will accentuate the Group's currency risk. In June 2024, a 10 per cent. change in SEK versus all foreign currencies would entail an effect of SEK 46 million in the Group's profit and loss statement. The degree to which such exchange rates may vary is uncertain and presents a significant risk to the Group's financial position.

Reputational risk

Reputational risk is the risk that an event or circumstance adversely impacts the Group's reputation among consumers, owners, employees, authorities and other parties resulting in reduced income. The reputational risk for the Group is primarily related to consumer expectations regarding the Group's products, the delivery of its services, and the ability to meet regulatory and consumer protection obligations related to these products and services. Effects on the Group's reputation typically originate from internal factors, but could also originate from external partners, suppliers, merchants or even competitors. Reputational risk can be substantially damaging to the Group's operations since the Group is a well-established brand, and if such risk materialises to such an extent that consumers chose competitors over the Group, it would materially adversely affect the Group's net sales and growth, which in turn would adversely affect its results of operations and financial condition. The degree to which reputational risks may affect the Group is uncertain and presents a significant risk to the Group's operations.

Impairment of goodwill and other intangible assets could have a negative effect on the Group's results of operations

The Group performs impairment tests on goodwill and other intangible assets at least once per year or more frequently if impairment indicators are identified. The outcome of any impairment test model depends, among other things, on key input data on macroeconomic factors and long-term growth assumptions.

Should outcomes differ materially to the Group's expectations, or should there be a change in regulatory conditions affecting the Group's assets, either in any of the Group's home markets or in general, this could result in an impairment charge relating to goodwill or other intangible assets, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Legal and regulatory risks

Taxes

The Group's business and transactions are conducted in accordance with the Group's interpretation of current and applicable international and local laws, tax treaties, standards, case law and requirements of the tax authorities in the jurisdictions in which the Group operates. There is a risk that the Group's interpretation of applicable laws, tax treaties, regulations, case law or other rules or administrative practice are disputed, or that such rules or practice or tax authorities' interpretation thereof will change, possibly with retroactive effect.

The Group's tax situation for previous, current and future years may change as a result of legislative changes, decisions made by the tax authorities or as a result of changed tax treaties, regulations, case law or requirements of the tax authorities. Such changes could adversely affect the Group's business (should taxes imposed on its products and services negatively impact the demand for such products and services), financial condition (should taxes negatively impact the value of its assets) and results of operations (should taxes increase its costs and thus decrease, among other things, its operating profits). The degree to which amendments to tax legislation may affect the Group is uncertain and presents a significant risk to its tax position.

For example, legislation in some jurisdictions has introduced taxes based on the total liabilities of credit institutions, which could apply to the Group in the future if its total liabilities increase beyond specified thresholds.

Furthermore, the Group's tax liability may also increase significantly if it is required to pay additional "minimum" taxes in any jurisdiction as a result of the growth of its business. For example, depending on the amount of income the Group generates in the United States and certain other factors, the Group may be subject to the US Base Erosion and Anti-Abuse Tax (BEAT) if certain payments made by the Group to related non-U.S. persons exceed certain thresholds. Moreover, from 2024 the Group is in scope of the Global Anti-Base Erosion (GloBE) Rules which introduces a global minimum effective tax rate of 15 per cent. Given the jurisdictions in which it operates, the Group's exposure to top-up taxes is expected to be limited but the Group may be required to pay additional taxes under the GloBE Rules under certain circumstances. For example, many countries are actively changing their tax laws applicable to corporate multinationals as part of an effort led by the Organisation for Economic Co-operation and Development (OECD) and the G20 to reform the international tax system, including legislation that could increase tax uncertainty and may result in significant increases in the Group's tax obligations in certain jurisdictions. These changes could adversely affect the Group's business, financial condition, and results of operations. For instance, the UK and EU's adoption of the Global Anti-Base Erosion (GloBE) Rules effective as of 1 January 2024, aim to ensure multinational companies pay a minimum effective tax rate of 15 per cent. in all jurisdictions where they operate.

EU General Data Protection Regulation

The Group is a disruptive company focusing on speed and innovation, often using new and advanced methods of analysing personal data to provide benefit to its customers. The aspiration for innovation and speed must continuously be weighed against the need to ensure that the Group's data processing practices comply with applicable data protection legislation (including the general data protection regulation 2016/679/EU ("**GDPR**")), and are in line with the affected individuals' expectations on the Group.

As a large and well-known actor in many of the markets where the Group conducts its business, the Group's data processing practices are likely to attract attention from supervisory authorities and the media. This may not only be the case if an authority or media representative has reason to believe that the Group's own data processing practices are non-compliant, but also as a top-of-mind example of the banking and fintech provider sector as a whole. On 29 March 2022, the Swedish Data Protection Authority (*Sw: Integritetsskyddsmyndigheten*) issued an administrative fine of SEK 7.5 million against Klarna Bank, claiming that Klarna Bank had failed to properly explain certain elements of its data processing to its data subjects in the privacy notice applicable between 17 March 2020 and 26 June 2020.

The Swedish Data Protection Authority has started an investigation regarding a certain feature in the Group's product Klarna Checkout, after complaints from customers in Sweden, Finland and Germany. This investigation started in May 2022 and is ongoing.

Non-compliance with applicable data protection legislation risks leading to substantial administrative fines and other actions which would have a material adverse effect on the Group's ability to conduct its business, such as a temporary or permanent ban on data processing or suspension of data transfers to third countries. Any administrative and monetary sanctions (including administrative fines of up to the greater of EUR 20 million or 4.0 per cent. of the Group's total global annual turnover) or reputational damage due to incorrect implementation or breach of the GDPR would adversely impact the Group's business, financial condition and results of operations. Actual, as well as perceived, non-compliance also risks having a substantial effect on consumers' and the general public's trust in the Group. The degree to which non-compliance with the GDPR may affect the Group is uncertain and presents a highly significant risk to the Group's operations and reputation.

Regulatory capital and liquidity requirements

The Group is subject to capital adequacy and liquidity regulations, which aim to put in place a comprehensive and risk-sensitive legal framework to ensure enhanced risk management among financial institutions. Regulations which have impacted the Group and are expected to continue to impact the Group include, among others, the Basel III framework (including the finalised reforms known as "**Basel IV**"), the EU Capital Requirements Directive 2013/36/EU ("**CRD IV**"), as amended by Directive (EU) 2019/878 ("**CRD V**"), and the EU Capital Requirements Regulation 11(99) (EU) No. 575/2013 ("**CRR**"), as amended by Regulation (EU) 2019/876 ("**CRR II**") and, as response to the COVID-19 pandemic, by Regulation (EU) 2020/873. CRR and CRD IV are supported by a set of binding technical standards developed by the European Banking Authority ("**EBA**"). The regulatory framework may continue to evolve and any resulting changes could have a material impact on the Group's business.

The Group is subject to liquidity requirements in its capacity as a credit institution supervised by the Swedish FSA, including a statutory requirement to maintain sufficient liquidity to enable it to discharge its obligations as they fall due. The Swedish FSA has issued regulations on liquidity, such as FFFS 2014:21 and FFFS 2010:7, which the Group needs to comply with.

The capital adequacy framework includes, inter alia, minimum capital requirements for the components in the capital base with the highest quality, common equity tier 1 ("**CET1**") capital, additional tier 1 capital and tier 2 capital. CRR II also introduces a binding leverage ratio requirement (i.e. a capital requirement independent from the riskiness of the exposures, as a backstop to risk-weighted capital requirements) for all institutions

subject to CRR. In addition to the minimum capital requirements, CRD IV provides for further capital buffer requirements that are required to be satisfied with CET1 capital. Certain buffers may be applicable to the Group as determined by the Swedish FSA. The countercyclical buffer rate is a capital requirement which varies over time and is to be used to support credit supply in adverse market conditions. Since 22 June 2023, the countercyclical buffer is set at 2 per cent. in Sweden. A breach of the combined buffer requirements is likely to result in restrictions on certain discretionary capital distributions by the Group for example, dividend and coupon payments on CET1 and tier 1 capital instruments. However, as at the date of this Base Prospectus, the Group is not designated a systemically important institution and is thus not subject to the buffer requirement for systemically important institutions, nor subject to the systemic risk buffer requirements. There can, however, be no assurance that the Group will not be designated a systemically important institution or subject to systemic risk buffer requirements in the future.

Furthermore, in November 2020, the Swedish FSA introduced changes to its application of Swedish banks' and financial institutions' (including Klarna) capital requirements in order to adapt them to the CRD V and CRR II. The changes pertain primarily to changes in the application of Pillar 2 requirements ("**P2R**") as well as the Swedish FSA's position relating to the implementation of Pillar 2 guidance ("**P2G**") and the application of the capital buffers. In May 2021, the Swedish FSA published further guidelines on the application of the P2G to which banks and financial institutions are subject. Through the P2G, the Swedish FSA informs a bank what capital level it expects the bank to hold over and above the minimum requirement, the P2R and the combined buffer requirement, to cover risks and manage future financial stresses. A breach of the P2G will not result in restrictions in capital distributions. Following the regular supervisory risk evaluation process in September 2023, the Swedish FSA communicated the level of P2G above the minimum capital requirement which Klarna should hold. The P2G amount should be covered with CET1 capital.

The conditions of the Group's business as well as external conditions are constantly changing and the full set of capital adequacy rules applicable to Swedish financial institutions continues to evolve. For example regulation (EU) 2024/1623 ("**CRR III**") amending CRR as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor, and directive (EU) 2024/1619 ("**CRD VI**") amending CRD IV as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, each entered into force on 9 July 2024, with the majority of the rules applying from January 2025 and certain measures being phased in by 2033. For the foregoing reasons, the Group can be required to raise regulatory capital in the future. Such capital, whether in the form of debt financing, hybrid capital or additional equity, is not always available on attractive terms, or at all. If the Group is required to make additional provisions, increase its reserves or capital, or exit or change its approach to certain operations as a result of, for example, the initiatives to strengthen the regulation of credit institutions, this would adversely affect its results of operations or financial condition or increase its costs, all of which may adversely affect the Group's ability to raise additional capital and the relevant Issuer's ability to make payments under instruments such as the Notes.

Serious or systematic deviations by the Group from the above regulations would most likely lead to the Swedish FSA determining that the Group's business does not satisfy the statutory soundness requirement for credit institutions and thus result in the Swedish FSA imposing administrative sanctions on the Group. Further, any increase in the capital and liquidity requirements could have a negative effect on the Group's liquidity (should its revenue streams not cover continuous payment to be made under its issued capital), funding (should it not be able to raise funding on attractive terms, or at all), financial condition (should liquidity and funding be negatively affected) and results of operations (should its costs increase). The degree to which regulatory capital and liquidity requirements risks may affect the Group is uncertain and presents a highly significant risk to the Group's funding and liquidity position.

Risks relating to regulatory requirements and regulatory changes

The Group's operations are subject to legislation, regulations, codes of conduct and government policies and general recommendations in the jurisdictions in which it operates and in relation to the products it markets and sells. As a bank incorporated under the laws of Sweden, Klarna Bank is subject to supervision by the Swedish FSA. Further, Klarna Financial Services UK Limited applied and was granted a licence to operate as an Authorised Payment Institution (API) by the FCA and also holds a Consumer Credit Firm licence. Additionally, Klarna has branches in France, Ireland, and Norway, each under the supervision of the pertinent authorities in these jurisdictions, namely the Bank of France, the Central Bank of Ireland, and the Norwegian Financial Supervisory Authority, and Klarna Bank's licensed German subsidiary Sofort GmbH, as well as Klarna Bank's German branch, are subject to supervision by the German Federal Financial Supervisory Authority ("**BaFin**"). Moreover, Klarna Bank's subsidiary in the U.S. holds multiple lending licences on state and territorial levels in the U.S., and is subject to supervision in each of the states and territories where it has a licence.

In addition, as for any provider of financial services to consumers, the Group's offering is occasionally reviewed by consumer authorities. In Sweden, the Swedish Consumer Agency (*Sw: Konsumentverket*) safeguards the interests of consumers and monitors consumer interests within the EU. As a result of conducting operations on a cross-border basis in various countries, consumer agencies and councils in these countries have jurisdiction over many aspects of the Group's business, including marketing and selling practices, advertising, general terms of business and legal debt collection operations. The Group is also subject to EU regulations that are directly applicable and EU directives that are implemented through local legislation. Significant failures to comply with applicable laws and regulations could expose the Group to monetary fines and other penalties, damages and/or the voiding of contracts and also affect the Group's reputation. Ultimately, Klarna Bank's banking licence could be revoked and the Group could hence be required to discontinue its business operations. Should the Group expand in both EEA and non-EEA markets, the distinctions in consumer protection and regulatory requirements will most likely pose new challenges for the Group's business.

Many initiatives for regulatory changes have been taken in the past and the Group is unable to predict with certainty what regulatory changes can be imposed in the future as a result of regulatory initiatives in the EU, by the Swedish FSA or by other national authorities and agencies. Such changes risk having a material adverse effect on, among other things, the Group's product range and activities, the sales and pricing of the Group's products as well as the Group's profitability and capital adequacy, and can give rise to increased costs of compliance.

An example of a regulatory change affecting the Group, is the EU revising the Consumer Credit Directive ("**CCD**") to bring certain elements of the BNPL (buy now pay later) products, such as the Group's Pay Later financing option for its customers, into its scope, subject to certain exemptions. Key themes of the revised CCD include the introduction of strict rules regarding the marketing and advertising of credit to consumers, policies and procedures safeguarding consumer understanding of credit products, sound underwriting and creditworthiness assessments and a broader consumer protection rulebook (for example, forbearance measures and measures to ensure consumers are not charged with excessively high borrowing rates). The extent and complexity of the new rules will depend on the outcome of the transposition of the EU rules in national law, which can also differ from member state to member state. All 27 EU member states will have to transpose the EU framework into national law before November 2025. Industry will then have another 12 months to prepare for compliance by November 2026.

In addition, on 2 February 2021, the then UK government announced its intention to regulate interest-free BNPL products. What followed was a consultation on policy options to deliver a proportionate approach to regulation in October 2021. Following the period of consultation, the government confirmed in June 2022 its approach to regulation and committed to legislating in order to give the FCA the necessary powers to carry out such regulation. In February 2023, the government published a further consultation on the proposed draft legislation.

The most recent period of consultation closed on 11 April 2023. In July 2024, a new UK government was elected following a general election and the Group now awaits details of the new UK government's plans for regulation of the BNPL industry.

Also, in the United States, the Consumer Financial Protection Bureau ("**CFPB**") commenced an inquiry into the entire BNPL sector in late 2021 to better understand how consumers use this product and issued a report on their findings in September 2022. The CFPB acknowledged that "BNPL can be a low-cost alternative to other credit products" and "imposes significantly lower direct financial costs on consumers than legacy credit products." In March 2023, the CFPB released a consumer insights survey in which it concluded that BNPL allows consumers to have an alternative credit option to high cost credit cards and save considerable amounts in fees and credit card APRs. The CFPB has increasingly focused on supervision of nonbank financial firms. In May 2024, the CFPB announced an "interpretive rule" holding that BNPL providers were credit card providers for purposes of certain provisions of the Truth in Lending Act ("**TILA**") and Regulation Z, effective 30 July 2024. The Group believes proportionate regulation is a good thing and has advocated for proportionate, outcomes based regulation of the BNPL industry with the CFPB. Additionally, requests for clarity or a delay in the rule's implementation date have not been granted. The Group is nevertheless positioned to make a strong good faith effort to comply by the compliance date.

Furthermore, there is a risk that the Group misinterprets or misapplies new or amended laws and regulations, especially due to the increasing quantity and complexity of legislation, which, in case of significant misinterpretations, would lead to adverse consequences for the Group. The Group incurs, and expects to continue to incur, significant costs and expenditures, to comply with the increasingly complex regulatory environment. The degree of any negative consequences related to managing these legal and regulatory risks is uncertain and presents a significant risk to the Group's reputation and business.

Anti-money laundering and sanctions

Counteracting money laundering and terrorist financing is a highly prioritised area within the EU and the regulatory framework is continuously updated to prevent the financial system from being used for money laundering and terrorist financing. As a bank, the Group is subject to a regulatory framework which requires it to take measures to counteract money laundering and terrorist financing within its operations to act as a gatekeeper to the financial system. There is a risk that the Group's established procedures, internal controls and guidelines to counteract money laundering and terrorist financing are insufficient or inadequate to ensure that the Group complies with the regulatory framework, or at addressing the money laundering/terrorist financing the Group may be exposed to during its operations. This may result from, for example, insufficient procedures, internal controls or guidelines, or errors by employees, suppliers or counterparties, or a lack of understanding which anti-money laundering ("**AML**") or counter-terrorist financing ("**CTF**") risks the Group may be exposed to, which in turn risk resulting in a failure to comply with the anti-money laundering regulatory framework.

In addition to Swedish legislation and regulations on anti-money laundering and counter terrorist financing, the Group must also comply with any stricter local regulatory requirements where the Group may conduct regulated activities. The current regulatory framework concerning AML and CTF is largely harmonised within the EU through Directive (EU) 2015/849 ("**AMLD4**") and subsequent iterations of AMLD4. A comprehensive EU wide AML rulebook (directly applicable to all member states) is expected to be in place and applied by the end of 2025. The ever-changing regulatory framework combined with the Group growing its local presence throughout the EU, and other jurisdictions outside of Europe in which the Group operates, risk increasing the risk of non-compliance with applicable local regulatory requirements.

In April 2022, the Swedish FSA initiated a planned AML inspection of Klarna Bank. Klarna Bank and the Swedish FSA have had ongoing communication throughout such inspection. The Swedish FSA is currently assessing if any findings are of such nature that there are grounds to take any actions against Klarna Bank.

Failure to comply with the requirements may result in legal implications. If the Group were to become subject to material sanctions, remarks or warnings and/or fines imposed by the regulators (for example as a result of inspections of the Swedish FSA such as the one described above) or local supervisory authorities, this would cause significant, and potentially irreparable, damage to (i) the reputation of the Group and (ii) consumers' and investors' confidence in the Klarna brand. The degree to which non-compliance with AML requirements may affect the Group is uncertain and presents a significant risk to the Group's reputation, financial condition and results of operations.

Furthermore, the Group is subject to sanctions laws and regulations. These laws and regulations are continually evolving, and compliance by the Group may be time consuming and require the Group to incur significant costs. The Group has established a sanctions compliance program consisting of, for example, risk assessment, policies and internal controls, to ensure compliance with applicable sanctions laws and regulations. However, there can be no assurance that such policies and procedures are followed correctly at all times and any violations of sanction laws or regulations, including any allegations of violation or investigations relating thereto, may have severe financial, legal and/or reputational consequences for the Group, including potential loss of the Group's access to the US dollar market.

Fines for non-compliance with AML regulations or sanctions laws have continued to increase over the last decade, thus, non-compliance with these regulations and laws could have a material adverse financial impact on the Group.

Risk related to the Group's guidelines and policies for risk management

The Group is exposed to a number of risks, such as financial risks and operational risk, and has put in place risk management policies and guidelines throughout the organisation to ensure that these risks are properly identified, assessed and managed. However, there can be no assurance that such policies and guidelines are followed correctly, assessed or managed in an adequate way which may as a result cause a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to changes in, and interpretation or application of, accounting standards

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

In addition, from time to time, the interpretation of applicable accounting policies, or the application thereof, by regulatory bodies can vary, resulting in changes to the Group's accounting methodology with potentially adverse consequences to the financial reporting of the Group. In addition, the interpretation of accounting standards can require the Group to make assumptions and subjective judgements on the application of such accounting policies which may subsequently prove, or be judged, to be incorrect. For example, the accounting standard International Financial Reporting Standard 9 (Financial Instruments) ("**IFRS 9**") provides principles for classification of financial instruments, and provisioning for expected credit losses which are mandatory. As a bank offering payment solutions and consumer lending products, provisions for expected credit losses are important for the Group in relation to its exposure to default and expected credit losses. However, recognition and measurement of financial instruments as regulated in IFRS 9 is a complex area with significant judgement to determine the loan loss provisions. Therefore, changes in assessments of the provisioning can have a material impact on the result and the capital ratios in the future.

The degree to which changes in accounting standards, and the interpretation or application thereof, may affect the Group is uncertain and presents a significant risk to the Group's results of operations and financial condition, and the Group's provisions and capital ratios.

Disputes and legal proceedings

From time to time, the Group may be subject to legal proceedings, claims and disputes in jurisdictions where the Group operates, including in the U.S. There is a risk that the Group becomes involved in disputes which materially adversely affects the Group's business, financial condition and/or results of operations. The Group may, for example, need to incur significant costs, including settlement payments, in response to proceedings, claims and disputes. It may also be difficult for the Group to predict the outcome of any investigation, proceeding, litigation or arbitration brought by private parties, regulatory authorities or governments. In addition, if an unfavourable decision were to be given against the Group, significant fines, damages and/or negative publicity risk adversely affecting the Group's business, financial condition, reputation and results of operations.

The Bank Recovery and Resolution Directive

As a bank and a financial institution, Klarna Bank and Klarna Holding are subject to the Bank Recovery and Resolution Directive ("**BRRD**") (as amended). The BRRD legislative package establishes a framework for the recovery and resolution of credit institutions and, inter alia, requires EU credit institutions (such as Klarna Bank) to produce and maintain recovery plans setting out the arrangements that are to be taken to restore the long-term viability of the institution in the event of a material deterioration of its financial condition. Credit institutions are also required under the BRRD to meet a minimum requirement for own funds and eligible liabilities ("**MREL Requirement**") determined by the relevant resolution authority (in Sweden, the Swedish National Debt Office (*Sw: Riksgäldskontoret*)) in accordance with what is set out in the Swedish Resolution Act (Sw: lag (2015:1016) om resolution) (the "**Resolution Act**"). The MREL Requirement must be met with own funds and certain types of debt instruments.

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

Following the implementation of BRRD II into Swedish legislation, subject to transitional provisions, a minimum Pillar 1 subordination requirement applies for systemically important institutions. In December 2021, the Swedish National Debt Office published decisions on MREL- and subordination requirements applicable for systemically important institutions applicable from 1 January 2024 as well as target levels applicable for systemically important institutions from 1 January 2022. Since October 2020, the Group is required to comply with the full range of obligations on the content of recovery plans in accordance with the Swedish FSA's issued regulation FFFS 2016:6. In terms of resolution, Klarna Bank is not deemed a systemically important institution by the Swedish National Debt Office and Klarna Bank has a MREL Requirement which is lower than its prevailing capital requirements.

There can, however, be no certainty that Klarna Bank will not be designated a systemically important institution and subject to a higher MREL Requirement in the future. In addition, it is not possible to predict exactly how the powers and tools of the National Debt Office described in the BRRD and the Resolution Act will affect

Klarna Bank. The powers and tools given to the National Debt Office are numerous and may have a material adverse effect on Klarna Bank. Accordingly, the degree to which amendments to BRRD or application of BRRD may affect Klarna Bank is uncertain and presents a significant risk to Klarna Bank's funding and compliance costs.

Risks relating to Pillar 2 Guidance

Although Pillar 2 Guidance does not constitute a binding minimum requirement on the level of own funds the Group must hold in addition to the Pillar 1 requirement, Pillar 2 requirement and combined buffer requirement, all banks are expected to comply with Pillar 2 Guidance and Klarna Bank may from time to time decide additional capital is needed to meet Pillar 2 Guidance for the Group. There can be no guarantee that such new capital can be raised in which case changes could be required to be made to the Group's operations and business plan resulting in an adverse effect on the Group's financial position. There are no automatic sanctions for breaching Pillar 2 Guidance, but such an event could lead to increased supervision for the Group or in an extreme case an increased Pillar 2 requirement for the Group.

Risks Relating to the Notes

Risks Relating to the Market

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 should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency and 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 would generally 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 the Notes.

Lack of Liquidity in the Secondary Market May Adversely Affect the Market Value of the Notes

Generally weak global credit market conditions could contribute to a lack of liquidity in the secondary market for instruments similar to the Notes. In addition, the recent liquidity crisis has limited the primary market for a number of financial products, including instruments similar to the Notes. While some measures have been taken by governments, there can be no assurance that the market for securities similar to the Notes will recover, either at all or at the same time or to the same degree as any other recovering global credit market sectors.

A failure of the market for securities similar to the Notes to recover from these conditions could adversely affect the market value of the Notes.

Exchange Rate Risks and Exchange Controls

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

relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) 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 or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest Rate Risks

Interest rate risk occurs when the interest rate payable on assets and liabilities for a fixed period do not coincide. Investments in Notes with fixed interest involve a risk that subsequent changes in market interest rates may adversely affect the value of fixed interest Notes. Investments in Notes with floating interest involve a risk of adverse changes in the interest rate payable on such Notes.

Credit ratings, if assigned to the Notes, may not reflect all risks

Notes issued under the Programme may be rated or unrated. There is no guarantee that ratings of the Notes will be assigned or maintained or that credit ratings, if assigned, will reflect the potential impact of all risks related to an investment in the relevant Notes. Credit ratings may change due to changes in law and regulation; see "-*General Risks Relating to Notes – Risks Relating to the Structure of a Particular Issue of Notes – The Senior Non-Preferred Notes rank junior to the Issuer's unsubordinated creditors and, if the EU Commission's CMDI proposal is adopted, the Senior Preferred Notes would rank junior to all of the Issuer's depositors*". Rating agencies may also change their rating methodologies, which could lead to a change in the credit ratings assigned to the relevant Notes. Accordingly, a credit rating is not a recommendation to buy, sell or hold the relevant Notes and may be revised, suspended or withdrawn by the relevant rating agency at any time. Any such revision, suspension or withdrawal could adversely affect the market value of the relevant Notes.

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

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a non-UK credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (i) the relevant UK registration or endorsement, as the case may be, not having been withdrawn or suspended; and (ii) transitional provisions that apply in certain circumstances. In the case of non-UK ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in any secondary market.

Certain information with respect to the credit rating agencies and ratings is set out on the front cover of this Base Prospectus and if a Tranche of Notes is rated such rating will be disclosed in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

English law judgments may not be directly enforceable in Sweden

Each of the Issuers has submitted to the jurisdiction of the courts of England in the Terms and Conditions of the Notes. The UK left the EU on 31 January 2020 (**Brexit**) As a result, the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012) has ceased to apply to the UK (and some English court judgments). The UK applied to join the Lugano Convention (the Convention of 30 October 2007 on Jurisdiction and the Recognition and Enforcement of Judgements in Civil and Commercial Matters) in its own right, though such approval has been rejected by the European Commission. There is therefore uncertainty concerning the enforcement of English court judgments that fall outside the Hague Convention (the Convention of 30 June 2005 on Choice of Court Agreements), which would rely solely on the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012) for enforcement. As a result, there may be a period of uncertainty concerning the enforcement of English court judgments in Sweden, and some judgments entered against the relevant Issuer in an English court may not be recognised or enforceable in Sweden without a re-trial on their merits. Any re-trial on a judgment's merits could therefore significantly delay or prevent the enforcement by Noteholders of the relevant Issuer's obligations under the Notes.

General Risks Relating to Notes

Modification, Waivers and Substitution

The Terms and Conditions of the Notes and the Trust Deed contain provisions for convening meetings of holders (including by audio or video conference call) of the Notes to consider any matter affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may agree, without the consent of the Holders and without regard to the interests of particular Holders, to (i) any modification of any provision of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error and (ii) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any provision of the Terms and Conditions or the Trust Deed which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders.

In addition, the Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Holders, to the substitution of any other company in place of the Issuer, or of any previously substituted company as principal debtor under the Notes, in the circumstances described in Condition 12(c) of the Terms and Conditions of the Notes and provided always that the Trustee is satisfied that the interests of the Holders will not be materially prejudiced by the substitution.

Change of Law

The Terms and Conditions of the Notes are governed by English law (except that the provisions in the Notes under Condition 3 and Clause 5 of the Trust Deed are governed by Swedish 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, Swedish law or English or Swedish administrative practice after the date of issue of the relevant Notes and any such change could materially adversely impact the value of any Notes affected by it.

Notes Where Denominations Involve Integral Multiples: Definitive Bearer Notes

In relation to any issue of Bearer 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 its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of such Notes such that its holding amounts to (at least) a Specified Denomination. Further, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a Definitive Bearer Note in respect of such holding (should such Definitive Bearer Notes be printed or issued) and would need to purchase a principal amount of Notes such that its holding amounts to (at least) a Specified Denomination.

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

Reliance on Euroclear and Clearstream, Luxembourg procedures

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

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

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

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 Holders' claims under the Notes will not benefit from any deposit guarantee scheme.

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 upon the occurrence of an applicable Event of Default (see "*Terms and Conditions of the Notes – Condition 6*"). 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*".

The Notes may be subject to write-down or conversion into ordinary shares of the Issuer

Under the terms of the BRRD, any application of the general bail-in tool or, in relation to any Subordinated Notes, non-viability loss absorption, is to be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on Holders of Notes will depend on their ranking in accordance with such hierarchy at the relevant time, including any priority given to other creditors such as depositors.

To the extent any resulting treatment of Holders pursuant to the exercise of the general bail-in tool or non-viability loss absorption, 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.

Any shares issued to holders of capital instruments upon a conversion into equity following any non-viability loss absorption or bail-in may be subject to future cancellation, transfer or dilution.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders may be subject to the application of the general bail-in tool and non-viability loss absorption, which may result in such Holders losing some or all of their investment. Such application could also involve modifications to or the disapplication of provisions in the Terms and Conditions of the Notes, including alteration of the principal 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. As a result, the exercise of the bail-in power, any resolution tools or the application of any non-viability loss absorption measure, or any suggestion of such exercise, could materially adversely affect the rights of Holders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Risks Relating 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:

The qualification of the Notes as "eligible liabilities" is subject to uncertainty

The Notes are intended to be MREL Eligible Liabilities which are available to meet any MREL Requirement (however called or defined by the Applicable MREL Regulations then applicable) of the Issuer (if the Issuer is then or, as the case may be, will be subject to such MREL Requirement on an individual basis) and/or the Group. However, the Issuer cannot provide any assurance that such Notes will be (or thereafter remain) MREL Eligible Liabilities. There is therefore a risk that a MREL Disqualification Event may occur in relation to any such Notes.

Upon the occurrence of a MREL Disqualification Event in relation to a Series of any Notes, the Issuer may, at its option but subject to Condition 5(j), (i) where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specifies Condition 5(i) to be applicable, redeem all (but not some only) of such Series of Notes and (ii) where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specifies Condition 5(k) to be applicable, either substitute all (but not some only) of such Series of Notes for, or vary the terms of such Series of Notes and/or the terms of the Trust Deed so that they remain or, as appropriate, become Senior Preferred Qualifying Securities, Senior Non-Preferred Qualifying Securities or, as the case may be, Subordinated Qualifying Securities. See "*The Issuer may redeem Notes prior*

to maturity" and "*In certain circumstances, the Issuer can substitute or vary the terms of the Notes*" 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.

The Senior Non-Preferred Notes rank junior to the Issuer's unsubordinated creditors and, if the EU Commission's CMDI proposal is adopted, the Senior Preferred Notes would rank junior to all of the Issuer's depositors

The Senior Non-Preferred Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. As provided under Condition 3(b)(ii), subject in all cases to mandatory provisions of Swedish law, 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 Issuer that are not creditors in respect of Senior Non-Preferred Liabilities; (ii) *pari passu* with all other Senior Non-Preferred Liabilities of the Issuer; and (iii) senior to holders of all classes of ordinary shares of the Issuer and any subordinated obligations or other securities of the Issuer (including the Subordinated 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 Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Holders of Senior Non-Preferred Notes will lose their entire investment in the Senior Non-Preferred Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable the Issuer to pay claims arising under its obligations in respect of the Senior Non-Preferred Notes and all other claims that rank *pari passu* with the Senior Non-Preferred Notes, the Holders of the Senior Non-Preferred Notes will lose some (which may be substantially all) of their investment in the Senior Non-Preferred Notes.

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

Holders of Senior Preferred Notes currently rank *pari passu* with depositors of the Issuer (other than in respect of preferred and covers deposits). In April 2023, the EU Commission announced a proposal to adjust and further strengthen the EU's existing bank crisis management and deposit insurance (CMDI) framework. If implemented as proposed, one element of the proposal would mean that Senior Preferred Notes will no longer rank *pari passu* with any deposits of the Issuer; instead, the Senior Preferred Notes will rank junior in right of payment to the claims of all depositors. As such, there may be an increased risk of an investor in Senior Preferred Notes losing all or some of their investment. The proposal, if implemented, may also lead to a rating downgrade for Senior Preferred Notes. The proposals will be subject to Trialogue negotiation and then national implementation. See "- *Risks Relating to the Notes – Risks Relating to the Market – Credit ratings may not reflect all risks*" for further information on credit ratings.

The Issuer's Obligations under Subordinated Notes are subordinated to most of the Issuer's liabilities

The Subordinated Notes constitute unsecured and subordinated obligations of the Issuer. As provided under Condition 3(c), subject in all cases to mandatory provisions of Swedish law, including but not limited to the Swedish implementation of Article 48(7) of the BRRD, the rights of the Holders of any Subordinated Notes shall, in the event of the liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer, but shall rank at least *pari passu* with all other subordinated indebtedness of the Issuer, which in each case, by law rank, or by their terms, are expressed to rank, *pari passu*, with the Subordinated Notes. If, on a liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*), the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Holders of Subordinated Notes will lose their entire investment in the Subordinated Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable the Issuer to pay claims arising under its

obligations in respect of the Subordinated Notes and all other claims that rank *pari passu* with the Subordinated Notes, the Holders of the Subordinated Notes will lose some (which may be substantially all) of their investment in the Subordinated Notes.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated or are subordinated but not to the same extent, there is a significant risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes will 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 Holders. 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 other fixed rate Notes of the Issuer at the time 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 First Margin or relevant Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a "Subsequent Reset Rate"). The Subsequent Reset Rate for any relevant Reset Period could be less than the relevant Initial Rate of Interest or the relevant Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the relevant Reset 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 principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Events of Default

The only Events of Default in relation to the Notes are set out in Condition 6. For the avoidance of doubt, a "resolution" or "moratorium" under the BRRD will not constitute an Event of Default. In addition, the refusal of the Relevant Regulator to give its consent to any early redemption, purchase, substitution or variation shall not constitute an Event of Default.

If a Note has been declared due and payable under Condition 6, the Trustee may institute such steps, including the obtaining of a judgment against the Issuer for any amount due in respect of the relevant Notes, as it thinks desirable with a view to having the Issuer declared bankrupt (Sw: *konkurs)* or put into liquidation (Sw: *likvidation)* but not otherwise and, consequently, if any Notes become due and payable under Condition 6, the Issuer shall, with the prior consent of the Relevant Regulator (if such consent is required), only be required to make such payment after it has been declared bankrupt (Sw: *konkurs)* or put into liquidation (Sw: *likvidation).*

The Issuer may redeem Notes prior to maturity in certain circumstances

Where the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that Issuer Call is applicable, the Issuer may on any Optional Redemption Date, at its option, redeem all, or some only, of the relevant Notes at their Optional Redemption Amount, together with accrued interest (if any) thereon.

The Issuer may, at its option, but subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem the relevant Notes upon the occurrence of a Withholding Tax Event at their Early Redemption Amount, together with accrued interest (if any) thereon.

In addition to the above, where the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that a Tax Event Call is applicable, the Issuer may, in certain circumstances and at its option, but in each case subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem all (but not some only) of the relevant Notes upon the occurrence of a Tax Event at their Early Redemption Amount, together with accrued interest (if any) thereon.

In the case of Subordinated Notes only, where the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement, specifies that Condition 5(h) is applicable, the Issuer may, at its option, but in each case subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem the relevant Subordinated Notes upon the occurrence of a Capital Event at their principal amount or the amount specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, together with accrued interest (if any) thereon.

Where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that Condition 5(i) is applicable, the Issuer may, at its option, but in each case subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem all (but not some only) of the relevant Notes upon the occurrence of a MREL Disqualification Event at their principal amount or the amount specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, together with accrued interest (if any) thereon.

Where the applicable Final Terms specifies or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that a Clean-Up Call Option is applicable, the Issuer may, at its option, but in each case subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem all (but not some only) of the relevant Notes if the Clean-Up Call Minimum Percentage (or more) of the principal amount outstanding of a Series of Notes has been redeemed or purchased and subsequently cancelled at their principal amount or the amount specified in the applicable Final Terms or, in the case of Exempt Notes, specified in the applicable Pricing Supplement together with accrued interest (if any) thereon.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes pursuant to the relevant option (or during any period when it is perceived that the Issuer may be able to redeem Notes pursuant to the relevant option), the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

Redemption of the Notes is subject to the prior consent of the Relevant Regulator (if such consent is required) and Holders have no right to request the redemption of the Notes

The Notes may contain provisions allowing the Issuer to call them after a minimum period as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (this would be expected to be at least five years in the case of Subordinated Notes), or even earlier than such specified date (and at any time): (i) upon the occurrence of a Tax Event, a Withholding Tax Event, a MREL Disqualification Event or, in the case of Subordinated Notes only, a Capital Event or (ii) if the Clean-Up Call Minimum Percentage (or more) of the principal amount outstanding of a Series of Notes has been redeemed or purchased and subsequently cancelled (in any such case, to the extent applicable to such Notes). If the Issuer considers it favourable to exercise any such call option, the Issuer must first obtain the prior consent of the Relevant Regulator (if such consent is required).

Holders of Notes have no rights to call for the redemption of their Notes and should not invest in Notes in the expectation that such a call will be exercised by the Issuer. In order for such Notes to be redeemed, (if such consent is required) the Relevant Regulator must first, in its discretion, agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. In addition, if the Issuer seeks approval to exercise a call option before five years from the date of issuance of the Subordinated Notes, the Relevant Regulator may only give its approval if certain conditions have been met. There can be no assurance that the Relevant Regulator will permit such a call or that the Issuer will exercise such a call. Any refusal of consent from the Relevant Regulator does not constitute an Event of Default.

Holders of Notes have no rights to call for the redemption of their Notes and should not invest in Notes in the expectation that a call option will be exercised by the Issuer. Holders of Notes should be aware that they may be required to bear the financial risks of an investment in Notes for a period of time in excess of the minimum period until the Maturity Date, which could affect the market value of an investment in the relevant Notes.

In certain circumstances, the Issuer can substitute or vary the terms of the Notes

Where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specify that Condition 5(k) applies, if at any time (i) in any case, a MREL Disqualification Event occurs; (ii) (in the case of Subordinated Notes) a Capital Event occurs; (iii) in any case, a Withholding Tax Event occurs; (iv) in any case, where "Tax Event Call" is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement a Tax Event occurs; or (v) in any case, in order to ensure the effectiveness and enforceability of Condition 18(f), the Issuer may, subject to obtaining the prior consent (if such consent is required) of the Relevant Regulator (without any requirement for the consent or approval of the relevant Holders or, subject as provided in Condition 5(k), the Trustee) either substitute all (but not some only) of the relevant Notes for, or vary the terms of the relevant Notes and/or the terms of the Trust Deed (as defined under "*Terms and Conditions of the Notes*") so that or provided that (as the case may be) they remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, as further provided in Condition 5(k). The terms and conditions of such substituted or varied Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, as the case may be, may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, as the case may be, provided that the relevant Senior Preferred Notes, the relevant Senior Non-Preferred Notes or the relevant Subordinated Notes remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, in accordance with the Terms and Conditions of the Notes. No assurance can be given as to whether any changes to the terms of Senior Preferred Notes, Senior

Non-Preferred Notes or Subordinated Notes will negatively affect any particular Holder. In addition, the tax and stamp duty consequences of holding such substituted or varied Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes could be different for some categories of Holders from the tax and stamp duty consequences for them of holding the Senior Preferred Notes, Senior Non-Preferred Notes or the Subordinated Notes prior to such substitution or variation.

No limitation on issuing debt

There is no restriction on the amount of debt which the Issuer may issue which ranks senior to any class of Senior Non-Preferred Notes or Subordinated Notes or on the amount of securities which the Issuer may issue which ranks *pari passu* with any class of Senior Non-Preferred Notes or Subordinated Notes. As a result this may reduce the amount recoverable by Holders of Senior Non-Preferred Notes or Subordinated Notes, as the case may be, on the bankruptcy or any liquidation of the Issuer.

No right of set-off, netting or counterclaim etc

As further described in the Terms and Conditions of the Notes, no Holder who in the event of the liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer shall be indebted to the Issuer shall be entitled to exercise any right of set-off, netting, counterclaim, retention or compensation in respect of moneys owed by the Issuer in respect of the 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 Holder.

There are risks that certain reference rates may be administered differently or discontinued in the future, which may adversely affect the trading market for, value of and return on, Floating Rate Notes or Reset Notes based on such reference rates

EURIBOR and other reference rates which are deemed to be "benchmarks" are the subject of recent international, national and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from the past or disappear entirely, or have other consequences that cannot be predicted as of the date of this Base Prospectus. Certain risks relating to such benchmarks are described below.

EU and UK Benchmarks Regulation

The EU Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within 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). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "UK Benchmarks Regulation") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on (i) any Floating Rate Note which specifies Screen Rate Determination in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined or (ii) any Reset Note, in each case where the applicable Original Reference Rate is deemed to be a benchmark, particularly if the methodology or other terms of such benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. 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 international, national or other proposals for reform, 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 (without limitation) the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmarks or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Floating Rate Notes or Reset Notes linked to a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or UK Benchmarks Regulation reforms and investigations in making any investment decision with respect to any Floating Rate Notes or Reset Notes linked to a benchmark.

Discontinuation of benchmarks

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

The potential elimination of benchmarks, such as EURIBOR and other reference rates which are deemed to be "benchmarks", as has happened with LIBOR, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could cause disruption and could also require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

Benchmark Discontinuation – Independent Adviser

If "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement for a Floating Rate Note or Reset Note, in the event that the Issuer determines a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate. If any such Successor Rate or Alternative Rate is determined in such manner and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that amendments to the Terms and Conditions of the Notes and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate and/or Alternative Rate or any Adjustment Spread, then the Issuer shall, subject to giving notice thereof, without any requirement for the consent or approval of Holders, vary the Terms and Conditions of the Notes and/or the Trust Deed to give effect to such amendments with effect from the date specified in such notice.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Terms and Conditions of the Notes also provide that an Adjustment Spread may be determined by the Issuer to be applied to such Successor Rate or Alternative Rate, as the case may be. The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily

applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be. The application of an Adjustment Spread may result in the relevant Notes performing differently (which may include payment of a lower interest rate) than they would do if the relevant Original Reference Rate were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

If the Issuer is unable to appoint an Independent Adviser, it may still determine (i) the Successor Rate or Alternative Rate; and (ii) in either case, an Adjustment Spread and/or any Benchmark Amendments itself (acting in good faith and in a commercially reasonable manner). If a Successor Rate, Alternative Rate, Adjustment Spread or any Benchmark Amendment is not determined pursuant to the Terms and Conditions of the Notes, other fallback provisions under the Terms and Conditions of the Notes may be required to be used, which may in certain circumstances result in the Rate of Interest for an Interest Accrual Period continuing to apply at the Rate of Interest applicable to the immediately preceding Interest Accrual Period, resulting in the relevant Floating Rate Notes or Reset Notes becoming, in effect, fixed rate securities (potentially until the relevant maturity date of the Notes depending on whether (i) the Issuer exercises its option to re-apply the fallback provisions contained in Condition 4(d) and (ii) (if such fallback provisions are re-applied) a Successor Rate or Alternative Rate is determined pursuant to Condition 4(d)). Even if a Successor Rate or Alternative Rate and associated Adjustment Spread and/or Benchmark Amendments (if any) are determined pursuant to the Terms and Conditions of the Notes, the overall Rate of Interest payable on the relevant Floating Rate Notes or Reset Notes may be less than it would have been had no Benchmark Event occurred.

Benchmark Discontinuation – ARRC SOFR

If (i) the Specified Currency is U.S. Dollars and the Reference Rate is specified as SOFR (Non Index) or SOFR (Index) in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and (ii) "Benchmark Discontinuation – ARRC SOFR" is also specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for a Floating Rate Note, and the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates as described in Condition 4(e). After such an event, interest on the relevant Notes will no longer be determined by reference to the Benchmark, but instead will be determined by reference to the applicable Benchmark Replacement.

The determination of a Benchmark Replacement, the calculation of the interest rate on the relevant Notes by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of such Notes in connection with a Benchmark Transition Event, could adversely affect the value of such Notes, the return on such Notes and the price at which such Notes can be sold. Any Benchmark Replacement will likely be a relatively new market index that may be altered or discontinued.

Benchmark Discontinuation – general

Notwithstanding the provisions of Condition 4(d) or Condition 4(e), as the case may be, no Successor Rate, Alternative Rate or Adjustment Spread or, as the case may be, Benchmark Replacement will be adopted, nor will any other amendments to the terms and conditions of the relevant Notes be made to effect any Benchmark

Amendments or Benchmark Replacement Conforming Changes (as applicable), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Subordinated Notes as Tier 2 capital or MREL Eligible Liabilities or the relevant Series of Senior Preferred Notes or, as the case may be, the relevant Series of Senior Non-Preferred Notes as MREL Eligible Liabilities (to the extent the relevant Series counts as such at the relevant time).

Notwithstanding the provisions of Condition 4(d) or Condition 4(e), as the case may be, and in the case of Senior Preferred Notes and Senior Non-Preferred Notes only, no Successor Rate or Alternative Rate or, as the case may be, Benchmark Replacement (as applicable) will be adopted, and no other amendments to the terms of the relevant Series of Senior Preferred Notes or, as the case may be, the relevant Series of Senior Non-Preferred Notes will be made pursuant to Condition 4(d) or Condition 4(e), as the case may be, if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of such Series of Senior Preferred Notes or, as the case may be, such Series of Senior Non-Preferred Notes, rather than the relevant Maturity Date.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, UK, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, liquidity of, value of and return on any such affected Floating Rate Notes or Reset Notes.

Compounded Daily SOFR, Compounded SOFR and the SOFR Index are relatively new in the marketplace

The interest payable on any Floating Rate Notes for which the Reference Rate is specified as SOFR (Index) in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, will be based on Compounded SOFR, which is calculated using the SOFR Index published by the Federal Reserve Bank of New York ("**FRBNY**") according to the specific formula described under Condition 4(c)(ii)(V), not the SOFR rate published on or in respect of a particular date during any Interest Accrual Period or an arithmetic average of SOFR rates during such period. Since SOFR is a relatively new market rate, Floating Rate Notes for which the Reference Rate is specified as SOFR (Index) or SOFR (Non Index) in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. For this and other reasons, the interest rate on any such Notes during any Interest Accrual Period will not necessarily be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, as applicable, if the SOFR rate in respect of a particular date during an Interest Accrual Period is negative, its contribution to the SOFR Index will be less than one, resulting in a reduction to Compounded SOFR used to calculate the interest payable on the relevant Notes on the Interest Payment Date for such Interest Accrual Period. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of any Floating Rate Notes linked to or that reference a SOFR rate might be lower than those of later-issued indexed debt securities as a result. In addition, the market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Conditions. The Issuer may also in the future issue Floating Rate Notes referencing SOFR that differ materially in terms of interest determination when compared with any previous SOFR referenced Floating Rate Notes issued by it under this Base Prospectus. The development of Compounded Daily SOFR, Compounded SOFR and SOFR Index as interest reference rates for the debt capital markets, as well as continued development of SOFR based rates for such markets 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 SOFR referenced Floating Rate Notes issued under this Base Prospectus from time to time.

Very limited market precedent exists for securities that use SOFR as the interest rate and the method for calculating an interest rate based upon SOFR in those precedents varies. Investors should be aware that the market continues to develop in relation to risk free rates – such as SOFR – as reference rates in the capital markets. In August 2019 and May 2020, the FRBNY's Alternative Reference Rates Committee ("**ARRC**") released model interest rate conventions for SOFR-linked securities (including for the calculation of Compounded SOFR and Compounded Daily SOFR); however, there currently is no uniform market convention with respect to the calculation of Compounded Daily SOFR, Compounded SOFR or SOFR generally. In addition, the FRBNY only began publishing the SOFR Index on 2 March 2020. Accordingly, the use of the SOFR Index or the specific formula for the Compounded SOFR or Compounded Daily SOFR rate, as applicable, used in any relevant Notes may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method, that would likely adversely affect the market value of any such Notes. It may be difficult for investors in Floating Rate Notes that reference Compounded Daily SOFR, Compounded SOFR or SOFR Index to estimate reliably the amount of interest which will be payable on such Floating Rate Notes, and some investors may be unable or unwilling to trade such Floating Rate Notes without changes to their IT systems, both of which could adversely impact the liquidity and trading price of such Floating Rate Notes.

Further, if SOFR does not prove to be widely used in securities like the Floating Rate Notes, the trading price of such Floating Rate Notes linked to or which reference a SOFR rate may be lower than those of Floating Rate Notes linked to indices that are more widely used. Investors in such Floating Rate Notes may not be able to sell such Floating Rate Notes at all or may not be able to sell such Floating Rate Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk. Investors should note that interest on Floating Rate Notes linked to or which reference a SOFR rate will be calculated and paid in accordance with the detailed provisions of the Conditions and the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. In particular, where the Interest Determination Date in respect of an Interest Accrual Period falls before the end of that Interest Accrual Period, the interest payable in respect of that Interest Accrual Period will not reflect any increase (or decrease) in the underlying daily SOFR rate after that Interest Determination Date. Investors should consider these matters when making their investment decision with respect to any Floating Rate Notes linked to or which reference a SOFR rate.

If the manner in which the SOFR Index is calculated, including the manner in which SOFR is calculated, is changed, that change may result in a reduction in the amount of interest payable on any relevant Notes and the trading prices of such Notes. In addition, the FRBNY may withdraw, modify or amend the published SOFR Index or SOFR data in its sole discretion and without notice. See "*Risk Factors – Risks Relating to the Structure of a Particular Issue of Notes – There are risks that certain reference rates may be administered differently or discontinued in the future which may adversely affect the trading market for, value of and return on, Floating Rate Notes or Reset Notes based on such reference rates – Benchmark Discontinuation – ARRC SOFR*" for further information.

In addition, the manner of adoption or application of SOFR reference rates in the debt capital markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of 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 Floating Rate Notes referencing SOFR.

Each of SOFR and the SOFR Index has a limited history. The future performance of SOFR cannot be predicted based on the historical performance of SOFR

Publication of SOFR and the SOFR Index, each published by the FRBNY, began on 3 April 2018 and on 2 March 2020, respectively, and therefore each has a limited history. The future performance of SOFR cannot be

predicted based on the limited historical performance. The level of SOFR during the term of any Floating Rate Notes for which the Reference Rate is specified as SOFR (Non Index) or SOFR (Index) in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR, such as correlations, may change in the future. While some pre-publication historical data have been released by the FRBNY, such analysis inherently involves assumptions, estimates and approximations. Changes in the levels of SOFR will affect Compounded SOFR and Compounded Daily SOFR and, therefore, the return on any relevant Notes and the trading price of such Notes, but it is impossible to predict whether such levels will rise or fall. There can be no assurance that Compounded SOFR, Compounded Daily SOFR or SOFR will be positive.

Compounded SOFR or Compounded Daily SOFR with respect to a particular Interest Accrual Period for Floating Rate Notes for which the Reference Rate is specified as SOFR (Index) or SOFR (Non Index), respectively, in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement will only be capable of being determined near the end of the relevant Interest Accrual Period

The level of Compounded SOFR applicable to a particular Interest Accrual Period and, therefore, the SOFR Index or, as applicable, Compounded Daily SOFR applicable to a particular Interest Accrual Period and, in each case, amount of interest payable with respect to such Interest Accrual Period will be determined on the Interest Determination Date (as defined in Condition 4(c)(ii)(V)) for such Interest Accrual Period.

Because each such date is near the end of such Interest Accrual Period, the amount of interest payable with respect to a particular Interest Accrual Period will not be known until shortly prior to the related Interest Payment Date and it may be difficult to reliably estimate the amount of interest that will be payable on each such Interest Payment Date. In addition, some investors may be unwilling or unable to trade the relevant Notes without changes to their information technology systems, both of which could adversely impact the liquidity and trading price of any such Notes.

The SOFR Index may be modified or discontinued and Floating Rate Notes for which the Reference Rate is specified as SOFR (Index) in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement may bear interest by reference to a rate other than Compounded SOFR, which could adversely affect the value of any such Notes

The SOFR Index is published by the FRBNY based on data received by it from sources other than the Issuer, and the Issuer has no control over its methods of calculation, publication schedule, rate revision practices or availability of the SOFR Index at any time. There can be no guarantee, particularly given its relatively recent introduction, that the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in any relevant Notes.

The market continues to develop in relation to SONIA as a reference rate for floating rate securities

Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Floating Rate Notes that reference a SONIA rate that are issued under this Base Prospectus. Furthermore, the Issuer may in the future issue securities referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Notes issued by it under the Programme. The nascent development of SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such markets 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-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference SONIA is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference a SONIA rate to reliably estimate 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 could adversely impact the liquidity of such Notes.

In addition, the manner of adoption or application of SONIA 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 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 a SONIA rate.

Further, if SONIA does not prove to be widely used in securities such as the Notes, the trading price of such Notes linked to SONIA may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

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

INFORMATION INCORPORATED BY REFERENCE

The following information which has previously been published or is published simultaneously with this Base Prospectus shall be incorporated in, and form part of, this Base Prospectus:

(1) the audited consolidated annual accounts of Klarna Bank as at and for the year ended 31 December 2023 (including the auditors' report therein) contained in the annual report of Klarna Bank for the year ended 31 December 2023 which can be viewed online at https://assets.ctfassets.net/4pxjo1vaz7xk/40Aagu27aryrZfpJ06LI39/881c1b32857325f1d54ea4a205e94a68/Klarna_Bank_Annual_Report_2023.pdf;

(2) the audited consolidated annual accounts of Klarna Holding as at and for the year ended 31 December 2023 (including the auditors' report therein) contained in the annual report of Klarna Holding for the year ended 31 December 2023 which can be viewed online at https://assets.ctfassets.net/4pxjo1vaz7xk/4YoZpojIbRX6XbEdYPVUxg/6cddf386d1d29beca3c09f3d96c28104/Klarna_Holding_Annual_Report_2023.pdf;

(3) the audited consolidated annual accounts of Klarna Bank as at and for the year ended 31 December 2022 (including the auditors' report therein) contained in the annual report of Klarna Bank for the year ended 31 December 2022 which can be viewed online at https://www.klarna.com/assets/sites/5/2023/02/27204212/2022-Klarna-Bank-AB_Annual-Report_EN.pdf;

(4) the audited consolidated annual accounts of Klarna Holding as at and for the year ended 31 December 2022 (including the auditors' report therein) contained in the annual report of Klarna Holding for the year ended 31 December 2022 which can be viewed online at https://www.klarna.com/assets/sites/5/2023/02/27204217/2022-Klarna-Holding-AB_Annual-Report_EN.pdf;

(5) the unaudited interim condensed financial statements of Klarna Bank as at and for the six months ended 30 June 2024 (including the auditors' review report thereon) contained in the condensed interim report of Klarna Bank as at and for the six months ended 30 June 2024 which can be viewed online at https://downloads.ctfassets.net/4pxjo1vaz7xk/1hprghGpflVOOfCdAPhoUf/f0fac2e5a4d3a664b5a676d75de29eeb/Klarna_Bank_AB_Interim_Report_2024__ENG_.pdf;

(6) the unaudited interim condensed financial statements of Klarna Holding as at and for the six months ended 30 June 2024 (including the auditors' review report thereon), the summary financial performance and key ratios and the presentation of the income statement reconciliation, each as contained in the condensed interim report of Klarna Holding as at and for the six months ended 30 June 2024 which can be viewed online at https://downloads.ctfassets.net/4pxjo1vaz7xk/161qRVqB2B2N8MYwLl9x5A/abcc53df5acfac3fa4bb36d4621db99c/Klarna_Holding_AB_Interim_Report_2024__ENG_.pdf;

(7) the Risk Management and Capital Adequacy Report (Pillar 3 Report 2023) of Klarna Holding as at and for the year ended 31 December 2023 which can be viewed online at https://assets.ctfassets.net/4pxjo1vaz7xk/3AwLacWH6HXjrvKrsvLUU8/7ede2d269b5b46d399ebb8a6a39ef8b5/Pillar_3__2023.pdf;

(8) the interim Capital Adequacy Report of Klarna Holding and Klarna Bank as at and for the six months ended 30 June 2024 which can be viewed online at https://assets.ctfassets.net/4pxjo1vaz7xk/5r5If7fvWEjUiznh9CdJKF/fbd0054d4288ea09edae0a9448782950/Capital_adequcy_2024_Q2__Eng_.pdf; and

(9) the following section from the previous base prospectus relating to the Programme which can be viewed online at https://www.klarna.com/international/about-us/corporate-governance/investor-relations/debt-investors/: the section "Terms and Conditions of the Notes" (pages 39 to 105 inclusive) set out in the Base Prospectus dated 19 June 2023.

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

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein (which for the avoidance of doubt, means any parts not listed in the cross-reference list above or below) are either not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuers will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes. Each Issuer has undertaken to the Dealers in the Dealer Agreement that it will comply with Article 23 of the Prospectus Regulation.

The table below sets out the relevant page references for the condensed interim reports for H1 2024 and the consolidated financial statements, the notes and the auditors' reports in the Issuers' financial statements for 2023 and 2022 as set out in the respective annual reports:

H1 2024 condensed interim report of Klarna Bank	**Page reference**
Financial Performance	p. 5
Presentation of the Income Statement	p. 22
Consolidated Income Statement	p. 28
Consolidated Statement of Comprehensive Income	p. 28
Consolidated Balance Sheet	p. 29
Consolidated Statement of Changes in Equity	p. 30-31
Consolidated Cash Flow Statement	p. 32
Notes to the Consolidated Annual Accounts	p. 38-62
Auditor's Review Report	p. 62

H1 2024 condensed interim report of Klarna Holding	**Page reference**
Consolidated Income Statement	p. 27
Consolidated Statement of Comprehensive Income	p. 27
Consolidated Balance Sheet	p. 28

Consolidated Statement of Changes in Equity	p. 29-30
Consolidated Cash Flow Statement	p. 31
Notes to the Consolidated Annual Accounts	p. 32-50
Auditor’s Review Report	p. 60

2023 consolidated annual accounts of Klarna Bank	**Page reference**
Consolidated Income Statement	p. 25
Consolidated Statement of Comprehensive Income	p. 25
Consolidated Balance Sheet	p. 25
Consolidated Statement of Changes in Equity	p. 26
Consolidated Cash Flow Statement	p. 28
Notes to the Consolidated Annual Accounts	p. 30-67
Auditor’s Report	Following p. 68

2023 consolidated annual accounts of Klarna Holding	**Page reference**
Consolidated Income Statement	p. 73
Consolidated Statement of Comprehensive Income	p. 73
Consolidated Balance Sheet	p. 74
Consolidated Statement of Changes in Equity	p. 74
Consolidated Cash Flow Statement	p. 75
Notes to the Consolidated Annual Accounts	p. 77-105-
Auditor’s Report	Following p. 133

2022 consolidated annual accounts of Klarna Bank	**Page reference**
Consolidated Income Statement	p. 27
Consolidated Statement of Comprehensive Income	p. 27
Consolidated Balance Sheet	p. 28
Consolidated Statement of Changes in Equity	p. 29
Consolidated Cash Flow Statement	p. 33
Notes to the Consolidated Annual Accounts	p. 35-113
Auditor’s Report	Following p. 114

2022 consolidated annual accounts of Klarna Holding	**Page reference**
Consolidated Income Statement	p. 37
Consolidated Statement of Comprehensive Income	p. 37

Consolidated Balance Sheet p. 38
Consolidated Statement of Changes in Equity p. 39
Consolidated Cash Flow Statement p. 40
Notes to the Consolidated Annual Accounts p. 42-99
Auditor’s Report Following p. 110

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which, when construed together with Part A of the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement in relation to any Notes, will be applicable to each Series of Notes:

The Notes are constituted by a Trust Deed dated 7 October 2024 (as supplemented and/or amended from time to time, the "**Trust Deed**") and made between Klarna Bank AB (publ) (the "**Bank**", which term, for the avoidance of doubt, shall include its legal successors following universal succession (Sw: *universalsuccession*), by operation of law applicable in Sweden, upon consolidation, amalgamation, merger or any other similar occurrence), Klarna Holding AB (the "**Company**", which term, for the avoidance of doubt, shall include its legal successors following universal succession (Sw: *universalsuccession*), by operation of law applicable in Sweden, upon consolidation, amalgamation, merger or any other similar occurrence) and BNY Mellon Corporate Trustee Services Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Holders (as described below). These Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and any Coupons relating to them. Copies of the Trust Deed and of an Agency Agreement (as supplemented or amended from time to time, the "**Agency Agreement**") dated 19 June 2023 and made between the Company, the Bank, the Trustee, The Bank of New York Mellon, London Branch in its capacities as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such), as paying agent and as transfer agent and The Bank of New York Mellon SA/NV, Dublin Branch in its capacity as registrar (the "**Registrar**", which expression shall include any successor to The Bank of New York Mellon SA/NV, Dublin Branch in its capacity as such), are available for inspection at the specified office of the Trustee (presently at 160 Queen Victoria Street, London EC4V 4LA) and each of the Paying Agents and the Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of and to be bound by all of the provisions of the Trust Deed insofar as they relate to the Notes. References herein to "**Agents**" shall, where the context so requires, be to the Paying Agents, the Registrar and the Transfer Agents. References herein to the "**Paying Agents**" and the "**Transfer Agents**" shall include the Principal Paying Agent and any additional Paying Agent(s) and/or Transfer Agent(s) specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

References herein to the "**Issuer**" are to the Company or the Bank, as the case may be, as the Issuer of the Notes as indicated in Part A of the applicable Final Terms or Pricing Supplement (each as defined below).

References herein to "**Exempt Notes**" are to Notes for which no prospectus is required to be published under the Prospectus Regulation and/or the FSMA. For the purposes of these Terms and Conditions, "**Prospectus Regulation**" means Regulation (EU) 2017/1129 and "**FSMA**" means the Financial Services and Markets Act 2000 (as amended).

The final terms of the Notes (or the relevant provisions thereof) are set out in (i) in the case of Notes other than Exempt Notes, Part A of a final terms document (the "**Final Terms**") relating to the Notes which completes these Terms and Conditions (the "**Conditions**") or (ii) in the case of Exempt Notes, a pricing supplement (the "**Pricing Supplement**") which supplements, amends, modifies and replaces these 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 for the purposes of the Exempt Notes. References to the "applicable Final Terms" are accordingly to Part A of the Final Terms (or the relevant provisions thereof) relating to the Notes and references to the "applicable Pricing Supplement" are accordingly to Part A of the Pricing Supplement (or the relevant provisions thereof) relating to the Exempt Notes.

Copies of the Final Terms will, in the case of Notes admitted to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"), be published on the website of Euronext Dublin at https://live.euronext.com. If the Notes are to be admitted to trading on any other regulated market in the EEA, the applicable Final Terms will be published in accordance with the rules and regulations of the relevant listing authority or stock exchange and otherwise in accordance with Article 21 of the Prospectus Regulation. Copies of the Final Terms will also be available, upon request, free of charge, at the registered office of the Issuer and the specified office of the Principal Paying Agent and, in relation to a Tranche of Registered Notes, the Registrar save that, if the Final Terms or, in the case of Exempt Notes, the Pricing Supplement relates to Notes which are neither admitted to trading on a regulated market in the EEA nor offered in the EEA or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation and/or the FSMA (including Exempt Notes), copies will only be obtainable by a Holder of such Notes upon production of evidence satisfactory to the Issuer and the Principal Paying Agent or, as the case may be, the Registrar as to its holding of such Notes and identity.

The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading and save that a Tranche may comprise Notes in more than one denomination) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

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

For the purposes of these Conditions, references to "**Notes**" are to Notes of the same Series and shall, as the context may require, be deemed to include any Temporary Global Note, Permanent Global Note, Definitive Bearer Notes, Registered Global Note or, as the case may be, Definitive Registered Notes (each as defined below). References to "**Notes**" shall, so far as the context permits, be deemed to include any Coupons (as defined below). References to "**Holders**" shall include holders of Coupons, as the context may require.

As used in these Conditions, "**Authorised Signatory**" means any director of the Issuer or any other person notified in writing to the Trustee and signed by any such director as being an Authorised Signatory in accordance with the Trust Deed.

1 Form and Denomination

(a) Form

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") and, in the case of definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denomination(s) (the "**Specified Denomination(s)**") specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

The Notes may be fixed rate notes ("**Fixed Rate Notes**"), reset notes ("**Reset Notes**"), floating rate notes ("**Floating Rate Notes**"), zero coupon notes ("**Zero Coupon Notes**") or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

The Notes may be Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, depending upon the Status of the Notes shown in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(b) Notes in Global Form and Exchanges Thereof

(i) Bearer Notes will be represented upon issue by a temporary global Note (a "**Temporary Global Note**") in substantially the form (subject to amendment and completion) set out in the Trust Deed. On or after the date (the "**Exchange Date**") which is 40 days after the completion of the distribution of the Notes of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations has been received, interests in the Temporary Global Note may be exchanged for either (as so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement):

(A) interests in a permanent global Note in bearer form (a "**Permanent Global Note**") representing the Notes of that Series and in substantially the form (subject to amendment and completion) set out in the Trust Deed; or

(B) Bearer Notes in definitive form ("**Definitive Bearer Notes**"), serially numbered and in substantially the form (subject to amendment and completion) set out in the Trust Deed.

(ii) In the case of Bearer Notes, interests in a Permanent Global Note will be exchangeable, in whole but not in part, (free of charge to the Holder) for Definitive Bearer Notes as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, either (A) upon not less than 60 days' written notice (expiring at least 30 days after the Exchange Date) from the bearer to the Principal Paying Agent as described therein or (B) only upon the occurrence of an Exchange Event as described therein, upon notice from the bearer to the Principal Paying Agent or, upon the occurrence of an Exchange Event described in (iii) below, from the Issuer to the Principal Paying Agent.

"**Exchange Event**" means (i) either of Euroclear (as defined below) or Clearstream, Luxembourg (as defined below) or any other clearing system by which the Notes have been accepted for clearing is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently, (ii) an Event of Default in relation to the Notes as set out in Condition 6 occurs and is continuing, or (iii) at the option of the Issuer, if the Issuer or any Paying Agent, by reason of any change in, or amendment to, Swedish law, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if such Notes were in definitive form. The Issuer will promptly give notice to Holders in accordance with Condition 15 and to the Principal Paying Agent if an Exchange Event occurs. Any such exchange following the occurrence of an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

(iii) The following legend will appear on all permanent and definitive Bearer Notes which have an original maturity of more than 1 year and on all Coupons and Talons relating to such Notes:

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

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

(iv) Registered Notes will be represented upon issue by beneficial interests in a Registered Global Note (a "**Registered Global Note**") which will be deposited with a common depositary or a common safekeeper, as the case may be, for, and in respect of, interests held through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and registered in the name of a nominee of Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper.

An interest in the Registered Global Note may be exchanged for a definitive Registered Note (a "**Definitive Registered Note**") in the limited circumstances set out in such Registered Global Note. A Definitive Registered Note may be exchanged for another Definitive Registered Note under certain circumstances described in the Agency Agreement.

(c) Surrender of Global Notes in Exchange for Definitive Notes

In order to exchange interests in a global Note for definitive Notes, a Holder must surrender or, as the case may be, present the relevant Temporary Global Note or Permanent Global Note at the specified office of the Principal Paying Agent or, as the case may be, present the relevant Registered Global Note at the specified office of the Registrar or its agent, together, in each case, with a request in writing specifying the principal amount of such Temporary Global Note or Permanent Global Note or, as the case may be, Registered Global Note, to be exchanged.

(d) Coupons

Interest-bearing Definitive Bearer Notes will have attached thereto at the time of their initial delivery coupons ("**Coupons**") and, if applicable, talons for further Coupons ("**Talons**"), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer Notes in global form do not have Coupons or Talons attached on issue.

(e) Exchange of Registered Notes

Registered Notes will not be exchangeable for Bearer Notes and vice versa.

2 Title

(a) Title to Bearer Notes

Title to Bearer Notes and Coupons passes by delivery and references herein to "**Holders**" of Bearer Notes and Coupons are to the bearers of such Bearer Notes and Coupons.

(b) Title to Registered Notes

Title to Registered Notes passes by registration in the register which is kept by the Registrar. References herein to "**Holders**" of Registered Notes are to the persons in whose names such Notes are so registered or, in the case of joint holders, the first named thereof.

(c) Ownership

The Holder of any Note or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless

of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

(d) Transfer of Registered Notes in definitive form

Definitive Registered Notes may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part only (in the authorised denominations set out in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) upon the surrender of the Registered Note to be transferred for registration of the transfer of the Registered Note (or the relevant part thereof), together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

(e) Delivery of New Registered Notes in definitive form

Each new Registered Note to be issued upon the transfer of Registered Notes in definitive form shall be available for delivery within five business days at the specified office of the Registrar or the relevant Transfer Agent after receipt of the form of transfer. Delivery of the new Registered Note shall be made at the specified office of the Registrar or of the Transfer Agent, as the case may be, to whom delivery of such form of transfer shall have been made or, at the option of the Holder making such delivery as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Registered Note to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. For these purposes, a form of transfer received by the Registrar during the period of 15 days ending on the due date for any payment on the relevant Registered Notes shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment. For the purposes of this Condition 2(e), "**business day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located.

(f) Charges on Transfer

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation thereto.

(g) Transfers of Registered Notes in global form

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

3 Status

(a) Status - Senior Preferred Notes

(i) This Condition 3(a) is applicable in relation to Notes specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being Senior Preferred Notes.

(ii) The Senior Preferred Notes constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Holder of any Senior Preferred Note in respect of or arising from the Senior Preferred Notes (including any Coupons relating to the Senior Preferred Notes and any damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer rank:

(A) at least *pari passu* with all other unsecured indebtedness of the Issuer from time to time outstanding; and

(B) senior to any Senior Non-Preferred Liabilities and subordinated obligations of the Issuer,

subject, in all cases, to mandatory provisions of Swedish law.

(b) Status - Senior Non-Preferred Notes

(i) This Condition 3(b) is applicable in relation to Notes specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being Senior Non-Preferred Notes.

(ii) The Senior Non-Preferred Notes constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Holder of any Senior Non-Preferred Note in respect of or arising from the Senior Non-Preferred Notes (including any Coupons relating to the Senior Non-Preferred Notes and any damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, have Senior Non-Preferred Ranking, meaning that they rank:

(A) *pari passu* with all other Senior Non-Preferred Liabilities of the Issuer;

(B) senior to holders of all classes of ordinary shares of the Issuer and any subordinated obligations or other securities of the Issuer (including the Subordinated Notes) which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities of the Issuer; and

(C) junior to present or future claims of (a) depositors of the Issuer and (b) other unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer (and accordingly, junior to claims arising from "excluded liabilities" within the meaning of Article 72a(2) of the CRR),

subject, in all cases, to mandatory provisions of Swedish law.

The provisions of this Condition 3(b) apply only to the principal and interest and any other amounts payable in respect of the Senior Non-Preferred Notes and nothing in this Condition 3(b) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

In these Conditions:

"**Applicable MREL Regulations**" means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Sweden giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer or the Group, as the case may be, including,

without limitation to the generality of the foregoing, CRD and the BRRD (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group, as the case may be);

"**BRRD**" means Directive 2014/59/EU 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 (EU) 2019/879 of the European Parliament and of the Council of 20 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;

"**CRD**" means the legislative package consisting of the CRD Directive and 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 26 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 or regulations, or other requirements, which are applicable to the Issuer or the Group, as the case may be, 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 Issuer or the Group, as the case may be, (on a non-consolidated or consolidated basis) 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 or replacement thereof);

"**CRD V Directive**" means Directive (EU) 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 20 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 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time (including by the CRR II);

"**CRR II**" means Regulation (EU) No. 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 20 May 2019 amending Regulation (EU) No 575/2013, and Regulation (EU) No 648/2012, as amended or replaced from time to time;

"**Group**" means the Company and its Subsidiaries;

"**Senior Non-Preferred Liabilities**" means liabilities having Senior Non-Preferred Ranking;

"**Senior Non-Preferred Ranking**" means the ranking which is described in 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; and

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

(c) Status - Subordinated Notes

(i) This Condition 3(c) is applicable in relation to Notes specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as being Subordinated Notes.

(ii) Notes specified as being Subordinated Notes constitute subordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Holder of any Subordinated Note in respect of or arising from the Subordinated Notes (including any Coupons relating to the Subordinated Notes and any damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, (i) be subordinated in right of payment to the claims of Senior Creditors of the Issuer; (ii) rank at least *pari passu* with the claims of all other subordinated creditors of the Issuer which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the Subordinated Notes; and (iii) rank senior to all classes of ordinary shares of the Issuer and any junior subordinated obligations or other securities of the Issuer which by law rank, or by their terms are expressed to rank, junior to the Subordinated Notes, subject, in all cases, to mandatory provisions of Swedish law, including but not limited to the Swedish implementation of Article 48(7) of the BRRD. The Issuer reserves the right to issue further subordinated notes and other subordinated obligations in the future, which may rank senior to, *pari passu* with, or junior to, the Subordinated Notes.

For the purposes of this Condition 3(c), "**Senior Creditors**" means creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of the Issuer (including Holders of the Senior Preferred Notes and the Senior Non-Preferred Notes); or (ii) who are subordinated creditors of the Issuer (whether in the event of a voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer or otherwise) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders of Subordinated Notes.

The provisions of this Condition 3(c) apply only to the principal and interest and any other amounts payable in respect of the Subordinated Notes and nothing in this Condition 3(c) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

(d) Waiver of set-off, netting or counterclaim etc

No Holder of Notes who in the event of the liquidation (Sw: *likvidation)* or bankruptcy (Sw: *konkurs)* of the Issuer shall be indebted to the Issuer shall be entitled to exercise any right of set-off, netting, counterclaim, retention or compensation in respect of moneys owed by the Issuer in respect of the Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) held by such Holder. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with, the Notes is discharged by set-off, netting, counterclaim, retention or compensation, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

4 Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest 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.

For these purposes, "**Business Day**" has the meaning given to it in Condition 4(c)(i).

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

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

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

(A) in the case of Fixed Rate Notes which are represented by a global Note, the aggregate outstanding principal amount of the Fixed Rate Notes represented by such global Note; or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

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

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms or, in the case of Exempt Notes, 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 (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms or, in the case of Exempt Notes, 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:

(aa) 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 that would occur in one calendar year; and

(bb) 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;

(ii) if "30/360" is specified in the applicable Final Terms or, in the case of Exempt Notes, 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; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the relevant period divided by 365.

In the Conditions:

"**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); and

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

(b) Interest on Reset Notes

(i) **Rates of Interest and Interest Payment Dates**

Each Reset Note bears interest:

(A) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the rate(s) per annum equal to the Initial Rate(s) of Interest;

(B) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(C) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the date(s) so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement on which interest is payable in each year (each an "**Interest Payment Date**") and on the Maturity Date if that does not fall on an Interest Payment Date.

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 period, and will calculate the amount of interest (the "**Interest Amount**") payable on the Reset Notes for the relevant period by applying the Rate of Interest to:

(aa) in the case of Reset Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Reset Notes represented by such global Note; or

(bb) in the case of Reset Notes in definitive form, the Calculation Amount specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

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

In this Condition 4(b):

"**Benchmark Gilt**" means, in respect of a Reset Period, such United Kingdom government security having a maturity date on or about the last day of such Reset Period as either the Issuer or, at the option of the Issuer, an Independent Adviser, in either case with the advice of the Reset Reference Banks, may determine to be appropriate;

"**Business Day**" has the meaning given in Condition 4(c)(i) or (i) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, such term means a U.S. Government Securities Business Day (as defined in Condition 4(c)(ii)(IV)) or (ii) if Benchmark Gilt Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, such term means a day, other than a Saturday or Sunday, on which banks and foreign exchange markets are open for general business in London;

"**Day Count Fraction**" and related definitions have the meanings given in Condition 4(a);

"**First Margin**" means the margin specified as such in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**First Reset Date**" means the date specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Maturity Date;

"**First Reset Period Fallback Yield**" means the yield specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and, if applicable, subject to Condition 4(b)(ii), Condition 4(d) and Condition 4(e), the rate of interest determined by the Calculation Agent on (or, if applicable, in respect of) the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Margin, with such sum being converted (if Reset Reference Rate Conversion is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, 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 (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it);

"**Gilt Yield Quotations**" means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank;

"**H.15**" means the daily statistical release designated as H.15, or any successor publication, published by the Board of Governors of the Federal Reserve System at *http://www.federalreserve.gov/releases/H15* or any successor site or publication;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own cost;

"**Initial Mid-Swap Rate**" has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**Initial Rate of Interest**" has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**Mid-Market Swap Rate**" means, subject as provided in Condition 4(d) (if applicable), for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a 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) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an 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 swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Maturity (as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) (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 4(d) (if applicable), EURIBOR if the Specified Currency is Euro or if the Specified Currency is not Euro the benchmark rate most closely connected with such Specified Currency and selected by the Issuer at its sole discretion;

"**MREL Eligible Liabilities**" means instruments which are available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Issuer and/or the Group, as the case may be, under Applicable MREL Regulations;

"**MREL Requirement**" means the minimum requirement for own funds and eligible liabilities which is or, as the case may be, will be applicable to the Issuer and/or the Group, as the case may be;

"**Original Reset Reference Rate Payment Basis**" has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. In the case of Notes other than Exempt Notes, the Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

"**Rate of Interest**" means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

"**Reference Bond**" means, in relation to any Reset 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 Issuer at its sole 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 Period;

"**Reference Bond Quotation**" means, in relation to a Reset Reference Bank and a Reset Determination Date:

(i) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the arithmetic mean 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 (Reset) Time on such Reset Determination Date; or

(ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the rate of the Original Reset Reference Rate Payment Basis yield-to-maturity based on the secondary market bid price of the relevant Reset U.S. Treasury Security as determined by the Reset Reference Bank at approximately the Relevant (Reset) Time on the Business Day following such Reset Determination Date;

"**Relevant (Reset) Time**" shall mean approximately 11.00 a.m. in the principal financial centre of the Specified Currency, or such other time as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**Relevant Screen Page**" has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, 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 displaying rates or yields (as the case may be) comparable to the Reset Reference Rate;

"**Reset Date**" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

"**Reset Determination Date**" means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date; in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date; and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

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

"**Reset Period Maturity Initial Mid-Swap Rate**" has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

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

(i) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Relevant (Reset) Time on such Reset Determination Date; or

(ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Relevant (Reset) Time on the Business Day following such Reset 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 Period will be:

(i) in the case of each Reset Period other than the First Reset Period:

(a) if Subsequent Reset Rate Previous Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, the Reset Reference Rate in respect of the immediately preceding Reset Period; or

(b) if Subsequent Reset Rate Last Observable Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (i) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the last observable bid and offered yields of the relevant Reference Bond, as determined by the Calculation Agent by reference to the Relevant Screen Page; or (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the last observable Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on the Relevant Screen Page; or

(ii) in the case of the First Reset Period:

(a) if Initial Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, the First Reset Period Fallback Yield; or

(b) if Last Observable Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (i) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the last observable bid and offered yields of the relevant Reference Bond, as determined by the Calculation Agent by reference to the Relevant Screen Page; or (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the last observable Original Reset Reference Rate Payment Basis yield for U.S.

Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on the Relevant Screen Page;

provided that:

(A) if the application of sub-paragraph (i)(b) or (ii)(b), as applicable, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), could reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Notes (in the case of Subordinated Notes) as Tier 2 capital or (in any case) as MREL Eligible Liabilities (to the extent the relevant Series counts as such at the relevant time), as the case may be, then sub-paragraph (i)(a) or (ii)(a), as applicable, above will apply, and

(B) (in the case of an issue of Senior Preferred Notes or Senior Non-Preferred Notes only and to the extent applicable to the relevant Notes at the relevant time) if the application of sub-paragraph (i)(b) or (ii)(b), as applicable, could, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, then sub-paragraph (i)(a) or (ii)(a), as applicable, above will apply;

"**Reset Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of five major banks:

(i) if Mid-Swap Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, in the swap, money, securities or other market most closely connected with the relevant Reset Reference Rate;

(ii) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, which are primary government securities dealers or market makers in pricing corporate bond issues denominated in the Specified Currency;

(iii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, which are primary U.S. Treasury Securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars, as published on the Federal Reserve Bank of New York's Website (as defined in Condition 4(c)(ii)(V) below); or

(iv) if Benchmark Gilt Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, which are brokers of gilts and/or gilt-edged market makers,

in each case, as selected by the Issuer at its sole discretion;

"**Reset Reference Rate**" means, in relation to a Reset Determination Date and, if applicable, subject to Condition 4(b)(ii), Condition 4(d) and Condition 4(e):

(i) if Mid-Swap Rate and Single Mid-Swap Rate are specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(ii) if Mid-Swap Rate and Mean Mid-Swap Rate are specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

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

(iii) if Reference Bond is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement:

(A) the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 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 (Reset) Time on such Reset Determination Date; or

(B) if such rate does not appear on the Relevant Screen Page at such Relevant (Reset) Time on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date; or

(iv) if CMT Rate is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement:

(A) the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on such Reset Determination Date, on the Relevant Screen Page; or

(B) if the yield referred to in paragraph (A) above is not published on the Relevant Screen Page on such Reset Determination Date, the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" having a period to maturity which is equal or comparable to the duration of the relevant Reset Period as published in H.15 under the caption "Treasury constant maturities (nominal)" on such Reset Determination Date; or

(C) if neither the yield referred to in paragraph (A) above nor the yield referred to in paragraph (B) above is published on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date; or

(v) if Benchmark Gilt Rate is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, in respect of the relevant Reset Period the percentage rate (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) determined by the Calculation Agent on the basis of the Gilt Yield Quotations provided (upon request by or on behalf of the Issuer) by the Reset

Reference Banks to the Issuer and by the Issuer to the Calculation Agent at 11:00 a.m. (London time) on the Reset Determination Date in respect of such Reset Period. If at least four quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the 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 or three quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the rounded quotation provided. If no quotations are provided, the Benchmark Gilt Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the Reset Reference Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, an amount specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the "First Reset Period Fallback";

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

"**Reset U.S. Treasury Security**" means, on the relevant Reset Determination Date, the U.S. Treasury Security selected by the Issuer:

(i) with an original term to maturity upon issue of approximately the duration of the relevant Reset Period and a remaining term to maturity of not less than one year less than the duration of the relevant Reset Period; and

(ii) which is in a principal amount equal to at least U.S.$1,000,000,000;

"**Second Reset Date**" means the date specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**Subsequent Margin**" means the margin specified as such in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**Subsequent Reset Date**" means the date or dates specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**Subsequent Reset 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 (as the case may be);

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and, if applicable, subject to Condition 4(b)(ii), Condition 4(d) and Condition 4(e), the rate of interest determined by the Calculation Agent on (or, if applicable, in respect of) the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Margin, with such sum being converted (if Reset Reference Rate Conversion is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, 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 (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it); and

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

(ii) **Fallbacks**

This Condition 4(b)(ii) is only applicable if Mid-Swap Rate is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as the applicable Reset Reference Rate.

If on any Reset Determination Date the Relevant Screen Page is not available or the Reset Reference Rate does not appear on the Relevant Screen Page, the Issuer shall request each of the Reset Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reset Reference Banks provide the Calculation Agent 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 Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 4(b), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the sum of (A) the relevant Mid-Market Swap Rate Quotation provided and (B) the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 4(b) the First Reset Rate of Interest or the Subsequent Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of:

(i) in the case of the first Reset Determination Date only:

(a) if Initial Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (A) the Initial Mid-Swap Rate and (B) the First Margin;

(b) if Reset Period Maturity Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (A) the Reset Period Maturity Initial Mid-Swap Rate and (B) the First Margin; or

(c) if Last Observable Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the First Margin,

provided that:

(A) if the application of (i)(b) or (i)(c) could, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), reasonably be expected to prejudice the qualification (to the extent applicable to the relevant

Notes at the relevant time) of the relevant Series of Notes (in the case of Subordinated Notes) as Tier 2 capital or (in any case) as MREL Eligible Liabilities (to the extent the relevant Series counts as such at the relevant time), as the case may be, then (i)(a) above will apply; and

(B) (in the case of an issue of Senior Preferred Notes or Senior Non-Preferred Notes only and to the extent applicable to such Notes at the relevant time) if the application of (i)(b) or (i)(c) could, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, then (i)(a) above will apply; or

(ii) in the case of any Reset Determination Date other than the first Reset Determination Date, the Subsequent Reset Rate of Interest shall be equal to the sum of:

(a) if Subsequent Reset Rate Previous Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (A) the Reset Reference Rate determined on the last preceding Reset Interest Determination Date and (B) the Subsequent Margin; or

(b) if Subsequent Reset Rate Last Observable Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the Subsequent Margin,

provided that:

(A) if the application of this paragraph (ii)(b), in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), could reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Notes (in the case of Subordinated Notes) as Tier 2 capital or (in any case) as MREL Eligible Liabilities (to the extent the relevant Series counts as such at the relevant time), as the case may be, then (ii)(a) above will apply, and

(B) (in the case of an issue of Senior Preferred Notes or Senior Non-Preferred Notes only and to the extent applicable to the relevant Notes at the relevant time) if the application of (ii)(b) could, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, then (ii)(a) above will apply,

all as determined by an Independent Adviser taking into consideration all available information that it in good faith deems relevant.

If Reset Reference Rate Conversion is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, any sum calculated in accordance with this Condition 4(b)(ii) shall be converted on a *mutatis mutandis* basis with the conversion

provision in the First Reset Rate of Interest definition or, as the case may be, the Subsequent Reset Rate of Interest definition.

(iii) **Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amounts**

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date (or, as the case may be, any other day on which the relevant payment of interest falls due) falling in such Reset Period to be notified to the Issuer, the Trustee, the Principal Paying Agent, the Registrar (in the case of Registered Notes) and any stock exchange on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount so notified and Interest Payment Date (or, as the case may be, any other day on which the relevant payment of interest falls due) may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Accrual Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Holders of the Notes in accordance with Condition 15. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(iv) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) by the Calculation Agent or for determining the Reset Reference Rate, as applicable, shall (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Principal Paying Agent, the other Paying Agents and all Holders of the Notes and no liability to the Issuer or the Holders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Floating Rate Notes

(i) **Interest Payment Dates**

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

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms or, in the case of Exempt Notes, 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 Final Terms or, in the case of Exempt Notes, 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 Accrual Period (as defined below).

If a Business Day Convention is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, and (x) if there is no numerically corresponding day

in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(aa) in any case where Specified Periods are specified in accordance with Condition 4(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) 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 (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(bb) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(cc) 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

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

In the Conditions:

"**Business Day**" means, unless otherwise provided in these Conditions:

(1) 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 Business Centre (other than T2 (as defined below)) specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

(2) if T2 is specified as a Business Centre in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system ("**T2**") is open; and

(3) either (i) 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 (ii) in relation to any sum payable in Euro, a day on which T2 is open;

"**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) 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 6, shall be the date on which such Notes become due and payable); and

"**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(ii) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(I) Reference Rate other than SONIA (Non Index), SONIA (Index), SOFR (Non Index) or SOFR (Index)

Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which the Rate of Interest is to be determined and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement is not SONIA (Non Index), SONIA (Index), SOFR (Non Index) or SOFR (Index), 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 on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying 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 Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

For the purposes of this Condition 4(c)(ii)(I):

"**Interest Determination Date**" shall mean the date specified as such in the Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, or if none is so specified:

(i) if the Reference Rate is the Euro-zone interbank offered rate ("**EURIBOR**"), the second day on which T2 is open prior to the start of each Interest Period;

(ii) if the Reference Rate is the Stockholm interbank offered rate ("**STIBOR**"), the second Stockholm business day prior to the start of each Interest Period;

(iii) if the Reference Rate is the Norwegian interbank offered rate ("**NIBOR**"), the second Oslo business day prior to the start of each Interest Period; or

(iv) if the Reference Rate is the Copenhagen interbank offered rate ("**CIBOR**"), the first day of each Interest Period.

"**Reference Banks**" shall mean, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in each case of a determination of a Reference Rate that is not EURIBOR, the

principal office in the Relevant Financial Centre of four major banks in the inter-bank market of the Relevant Financial Centre in each case selected by the Issuer on the advice of an investment bank of international repute;

"**Reference Rate**" shall mean (i) EURIBOR; (ii) STIBOR; (iii) NIBOR; or (iv) CIBOR, in each case for the relevant period, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, or, in the case of Exempt Notes only, such other Reference Rate as shall be specified in the applicable Pricing Supplement;

"**Relevant Financial Centre**" shall mean (i) Brussels, in the case of a determination of EURIBOR; (ii) Stockholm, in the case of a determination of STIBOR; (iii) Oslo, in the case of a determination of NIBOR; or (iv) Copenhagen, in the case of a determination of CIBOR, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, or, in the case of Exempt Notes only, such other Relevant Financial Centre as shall be specified in the applicable Pricing Supplement;

"**Relevant Screen Page**" (save where expressly defined otherwise) has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, 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 displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" shall mean (i) in the case of EURIBOR, 11.00 a.m.; (ii) in the case of STIBOR, 11.00 a.m.; (iii) in the case of NIBOR, 12.00 noon; or (iv) in the case of CIBOR, 11.00 a.m., in each case in the Relevant Financial Centre, or, in the case of Exempt Notes, such other time as shall be specified in the applicable Pricing Supplement;

If the Relevant Screen Page is not available or if, in the case of Condition 4(c)(ii)(I)(1), no offered quotation appears or, in the case of Condition 4(c)(ii)(I)(2), fewer than three offered quotations appear, in each case as at the Relevant Time, the Issuer shall request each of the Reference Banks to provide the Principal Paying Agent or the Calculation Agent, as the case may be, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as the case may be, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as the case may be.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as the case may be, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as the case may be, 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 Issuer) the Principal Paying Agent or the Calculation Agent, as the case may be, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Eurozone interbank market (if the Reference Rate is EURIBOR) or the interbank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as the case may be, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent or the Calculation Agent, as the case may be, it is quoting to leading banks in the Eurozone interbank market (if the Reference Rate is EURIBOR) or the interbank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest 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 the case may be) relating to that last preceding Interest Period).

(II) SONIA (Non Index Determination) Floating Rate Notes

Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which the Rate of Interest is to be determined; and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, is SONIA (Non Index), the Rate of Interest for each Interest Accrual Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the applicable Margin.

"**Compounded Daily SONIA**" means, with respect to an Interest Accrual Period, the percentage rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) as calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i-pLBD}\ \times\ n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" means the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Observation Period;

"$\mathbf{d_o}$" means:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of London Banking Days in the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of London Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Observation Period;

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

"$\mathbf{n_i}$", for any London Banking Day "i", means the number of calendar days from and including such London Banking Day "i" up to but excluding the following London Banking Day;

"**Observation Period**" means, in respect of each Interest Accrual Period, the period from (and including) the day that falls p London Banking Days before the first day in such Interest Accrual Period, to (but excluding) the day that falls p London Banking Days before the end of such Interest Accrual Period;

"**p**" means:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement,

for any Interest Accrual Period, the number of London Banking Days included in the Lag Look-back Period, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for any Interest Accrual Period, the number of London Banking Days included in the Observation Shift Period, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

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

"$\textbf{SONIA}_{\textbf{i-pLBD}}$" means:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, in respect of any London Banking Day "i", the SONIA reference rate for the London Banking Day falling p London Banking Days prior to such London Banking Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, in respect of any London Banking Day "i", the SONIA reference rate for the relevant London Banking Day "i".

If, subject to Condition 4(d), on any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the applicable SONIA reference rate is not published on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, the SONIA reference rate in respect of such London Banking Day shall be:

(1) (i) the Bank of England's Bank Rate (the "Bank Rate") prevailing at close of business on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

(2) if such Bank Rate is not available, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Where the SONIA reference rate is being determined in accordance with the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the

SONIA reference rate, the Calculation Agent shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA reference rate for any London Banking Day "i" for the purpose of the relevant Series of Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, subject to Condition 4(d), the Rate of Interest shall be (i) 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 (as the case may be) is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to that last preceding Interest Accrual Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

(III) SONIA (Index Determination) Floating Rate Notes

Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which the Rate of Interest is to be determined; and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, is SONIA (Index), the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(d), be the SONIA Compounded Index Rate plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the applicable Margin.

"**SONIA Compounded Index Rate**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily Sterling overnight reference rate as the reference rate for the calculation of interest) as calculated by the Calculation Agent on the Interest Determination Date in question in accordance with the following formula:

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1\right) \times \frac{365}{d}$$

where:

"**London Banking Day**" and "**Observation Period**" have the meanings set out in Condition 4(c)(ii)(II);

"**d**" means the number of calendar days in the relevant Observation Period;

"**p**" means the number of London Banking Days included in the SONIA Compounded Index Observation Shift Period as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (or, if no such number is specified, five London Banking Days);

"**SONIA Compounded Index**" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

"**SONIA Compounded Index$_{START}$**" means, with respect to an Interest Accrual Period, the SONIA Compounded Index Value on the first day of the relevant Observation Period;

"**SONIA Compounded Index$_{END}$**" means the SONIA Compounded Index Value on the last day of the relevant Observation Period; and

"**SONIA Compounded Index Value**" means, in relation to any London Banking Day, the value of the SONIA Compounded Index as published on the Relevant Screen Page on such London Banking Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) in respect of the relevant London Banking Day.

Subject to Condition 4(d), if the SONIA Compounded Index Value is not available in relation to any Interest Accrual Period on the Relevant Screen Page or the Bank of England's website (or such other page or website referred to in the definition of "SONIA Compounded Index Value" above) for the determination of either or both of SONIA Compounded Index$_{START}$ and SONIA Compounded Index$_{END}$, the Rate of Interest for such Interest Accrual Period shall be "Compounded Daily SONIA" determined as set out in Condition 4(c)(ii)(II)) above plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the applicable Margin and as if SONIA (Index) were specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as being "Not Applicable", and for these purposes: (A) (i) the "Observation Method" shall be deemed to be "Observation Shift" and (ii) the "Observation Shift Period" shall be deemed to be equal to the "SONIA Compounded Index Observation Shift Period", as if those alternative elections had been made in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; and (B) the "Relevant Screen Page" shall be deemed to be the "Relevant Fallback Screen Page" specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(IV) SOFR (Non Index Determination) Floating Rate Notes

Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which the Rate of Interest is to be determined; and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, is SOFR (Non Index), the Rate of Interest for each Interest Accrual Period will, subject as provided below, be Compounded Daily SOFR with respect

to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the applicable Margin.

"**Compounded Daily SOFR**" means, with respect to an Interest Accrual Period, the percentage rate of return of a daily compound interest investment (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) as calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

(Mod)

$$\left[\prod_{i=1}^{}\left(1+\frac{SOFR_{i-pUSBD} \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" means the number of calendar days in:

(i) where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Observation Period;

"$\mathbf{d_o}$" means:

(i) where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Day in chronological order from, and including the first U.S. Government Securities Business Day in the relevant Interest Period to, and including, the last U.S. Government Securities Business Day in:

(i) where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Observation Period;

"$\mathbf{n_i}$", for any U.S. Government Securities Business Day "i", means the number of calendar days from and including such U.S. Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day;

"**Observation Period**" means, in respect of each Interest Accrual Period, the period from (and including) the day that falls p U.S. Government Securities Business Days before the first day in such Interest Accrual Period, to (but excluding) the day that falls p U.S. Government Securities Business Days before the end of such Interest Accrual Period;

"**p**" means:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for any Interest Accrual Period, the number of U.S. Government Securities Business Days included in the Lag Look-back Period, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (or, if no such number is specified, five U.S. Government Securities Business Days);

(ii) where "Lock-out" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, zero; or

(iii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for any Interest Accrual Period, the number of U.S. Government Securities Business Days included in the Observation Shift Period, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (or, if no such number is specified, five U.S. Government Securities Business Days);

"**USBD**" means U.S. Government Securities Business Day;

"$\mathbf{SOFR_{i\text{-}pUSBD}}$" means:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, in respect of any U.S. Government Securities Business Day "i", the SOFR for the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to such U.S. Government Securities Business Day "i";

(ii) where "Lock-out" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, during each relevant Interest Period, the SOFR determined in accordance with paragraph (i) above, except that in respect of each U.S. Government Securities Business Day i falling on or after the "Lock-out date" specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (or, where no "Lock-out date" is specified, five U.S. Government Securities Business Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Accrual Period, the SOFR determined in accordance with paragraph (i) above in respect of such "Lock-out date"; or

(iii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, in respect of any U.S. Government Securities Business Day "i", the SOFR for such day.

"**SOFR**" means the rate determined in accordance with the following provisions:

(1) the Secured Overnight Financing Rate that appears on the FRBNY's website at 5:00 p.m. (New York time) on a U.S. Government Securities Business Day; or

(2) if the rate specified in (1) above does not so appear, and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred under Condition 4(e), then the Calculation Agent shall use the Secured Overnight Financing Rate published on the FRBNY's website for the first preceding U.S. Government Securities Business Day on which the Secured Overnight Financing Rate was published on the FRBNY's website; and

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

(V) SOFR (Index Determination) Floating Rate Notes

Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which the Rate of Interest is to be determined and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, is SOFR (Index), the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the Compounded SOFR rate on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

In this Condition 4(c)(ii)(V):

"**Compounded SOFR**" means, with respect to an Interest Accrual Period, the percentage rate as determined by the Calculation Agent in accordance with the following formula (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

where:

"**SOFR Index$_{Start}$**" means, with respect to an Interest Accrual Period, the SOFR Index value on the day which falls p U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

"**SOFR Index$_{End}$**" means, with respect to an Interest Accrual Period, the SOFR Index value on the day which falls p U.S. Government Securities Business Days preceding the payment date relating to such Interest Accrual Period;

"**SOFR Index**" means, with respect to a U.S. Government Securities Business Day:

(1) the value of the SOFR Index published on such U.S. Government Securities Business Day as such value appears on the Federal Reserve Bank of New York's Website at the Relevant Time; or

(2) if a SOFR Index value does not so appear as specified in (1) above at the Relevant Time, then:

   (i) if a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined in Condition 4(e)) have not occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to the provisions below; or

   (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to Condition 4(e);

"**SOFR**" means the daily secured overnight financing rate as provided on the Federal Reserve Bank of New York's Website;

"$\mathbf{d_c}$" means, with respect to an Observation Period, the number of calendar days in such Observation Period;

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

"**Interest Determination Date**" means the date that falls p U.S. Government Securities Business Days before each Interest Payment Date (or, as the case may be, any other day on which the relevant payment of interest falls due);

"**Observation Period**" means, in respect of an Interest Accrual Period, the period from (and including) the day that falls p U.S. Government Securities Business Days before the first day in such Interest Accrual Period, to (but excluding) the day that falls p U.S. Government Securities Business Days before the relevant payment date for such Interest Accrual Period;

"**p**" means two, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"**Relevant Time**" shall mean 3.00 p.m. in New York City, or such other time as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; and

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

If on any Interest Determination Date a SOFR $\text{Index}_{\text{Start}}$ or SOFR $\text{Index}_{\text{End}}$ is not published and a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined in Condition 4(e)) have not occurred with respect to SOFR, the Rate of Interest for the relevant Interest Accrual Period for

which such index is not available shall be “Compounded Daily SOFR” determined as set out in Condition 4(c)(ii)(IV) above plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the applicable Margin and as if SOFR (Non Index) was specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement, and for these purposes (i) the “Observation Method” shall be deemed to be “Observation Shift” and (ii) the “Observation Shift Period” shall be “p” U.S. Government Securities Business Days, as if those alternative elections had been made in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement..

(VI) **Fallback**

In the event that the Rate of Interest cannot be determined in accordance with provisions (I), (II), (III), (IV) or (V), as applicable, of this Condition 4(c)(ii) by the Calculation Agent, subject to Condition 4(d), the Rate of Interest shall be (I) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or (II) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on, and excluding, the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

Unless otherwise stated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(VII) Interest Determination Date upon Event of Default (SONIA (Non Index), SONIA (Index), SOFR (Non Index) and SOFR (Index))

Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which the Rate of Interest is to be determined and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement is SONIA (Non Index), SONIA (Index), SOFR (Non Index) or SOFR (Index), if the Notes become due and payable in accordance with Condition 6 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms or Pricing Supplement, as applicable, be deemed to be the date on which the Notes became due and payable and the Rate of Interest applicable to the Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

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

If the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Accrual Period, then, in the event that the Rate of Interest in respect of such Interest Accrual Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Accrual Period shall be such Minimum Rate of Interest.

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

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

The Principal Paying 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 Accrual Period.

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

(A) in the case of Floating Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

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

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(c):

(A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Accrual Period divided by 365 (or, if any portion of that Interest Accrual Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Accrual Period falling in a non-leap year divided by 365);

(B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Accrual Period divided by 365;

(C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the

Interest Accrual Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if "Actual/360" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Accrual Period divided by 360;

(E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Accrual 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_1**" is the year, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Accrual Period, unless such number is 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Accrual Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Accrual 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_1**" is the year, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Accrual Period, unless such number would be 31, in which case D-i will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Accrual Period, unless such number would be 31, in which case D_2 will be 30; and

if "30E/360 (ISDA)" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Accrual 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_1**" is the year, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Accrual Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Accrual 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_2 will be 30.

(v) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Accrual Period in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, 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 Accrual 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 Accrual 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 as it determines appropriate.

For the purposes of this Condition 4(c)(v), "**Designated Maturity**" means the period of time designated in the Reference Rate.

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

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date (or, as the case may be, any other day on which the relevant payment of interest falls due) to be notified to the Issuer, the Trustee,

the Registrar (in the case of Registered Notes) and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 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 (or, as the case may be, any other day on which the relevant payment of interest falls due) so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Accrual Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Holders of the Notes in accordance with Condition 15. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c) by the Principal Paying Agent shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the other Paying Agents and all Holders of the Notes and no liability to the Issuer or the Holders shall attach to the Principal Paying Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(viii) **Calculation Agent**

If the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that a Calculation Agent will be appointed in place of the Principal Paying Agent for the purposes of calculating the Rate(s) of Interest and Interest Amount(s) as aforesaid, references in this Condition 4(c) to the Principal Paying Agent shall, unless the context otherwise requires, be construed as references to such Calculation Agent.

(d) Benchmark Discontinuation – Independent Adviser

This Condition 4(d) applies only if "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(i) *Independent Adviser*: If the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(d)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4(d)(iii)) and/or any Benchmark Amendments (in accordance with Condition 4(d)(iv)).

An Independent Adviser appointed pursuant to this Condition 4(d) shall act in good faith and (in the absence of fraud) shall have no liability whatsoever to the Issuer, the Trustee, the Principal Paying Agent, the Paying Agents or the Holders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(d).

(ii) *Successor Rate or Alternative Rate*: If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(d)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(d)).

(iii) *Adjustment Spread:* The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments:* If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(d) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(d)(vi), without any requirement for the consent or approval of Holders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and Principal Paying Agent of a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee and Principal Paying Agent may rely without liability or enquiry to any person, pursuant to Condition 4(d)(vi), the Trustee and Principal Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee and Principal Paying Agent shall not be liable to any party for any consequences thereof, provided that the Trustee and Principal Paying Agent shall not be obliged so to concur if in the opinion of the Trustee and Principal Paying Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions and/or rights afforded to the Trustee and/or the Principal Paying Agent (as applicable) in these Conditions, the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 4(d)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(d), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendments to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer and to the extent applicable at the relevant time, the same could reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Notes (in the case of Subordinated Notes) as

Tier 2 capital or (in any case) as MREL Eligible Liabilities (to the extent the relevant Series counts as such at the relevant time), as the case may be, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely, without liability and without enquiry to any person).

In the case of Senior Preferred Notes and Senior Non-Preferred Notes only, no Successor Rate or Alternative Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 4(d), if and to the extent that, in the determination of the Issuer and to the extent applicable to the relevant Notes at the relevant time, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely, without liability and without enquiry to any person).

(v) *Failure to appoint an Independent Adviser*: If the Issuer is unable to appoint an Independent Adviser in accordance with this Condition 4(d), the Issuer, acting in good faith and in a commercially reasonable manner, may still determine (i) a Successor Rate or Alternative Rate and (ii) in either case, an Adjustment Spread and/or any Benchmark Amendments in accordance with this Condition 4(d) (with the relevant provisions in this Condition 4(d) applying *mutatis mutandis* to allow such determinations to be made by the Issuer without consultation with an Independent Adviser).

Where this Condition 4(d)(v) applies, without prejudice to the definitions thereof, for the purposes of determining any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Amendments (as the case may be), the Issuer will take into account any relevant and applicable market precedents and customary market usage as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets.

(vi) *Notices, etc.*: Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(d) will be notified promptly by the Issuer to the Trustee, the Principal Paying Agent, the Paying Agents and, in accordance with Condition 15, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Principal Paying Agent of the same, the Issuer shall deliver to the Trustee and the Principal Paying Agent a certificate signed by two directors or other Authorised Signatories of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(d); and

(B) certifying that the Benchmark Amendments (if applicable) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee and the Principal Paying Agent shall be entitled to rely on any certificate delivered pursuant to this Condition 4(d) (without enquiry or liability to any person and without the obligation to verify or investigate the accuracy thereof) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and/or the Benchmark

Amendments (if any) specified in such certificate will (in the absence of manifest error and without prejudice to the Trustee's and the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Principal Paying Agent, the Paying Agents and the Holders. For the avoidance of doubt, each of the Trustee and the Principal Paying Agent shall not be liable to the Holders or any other such person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of the Holders or any other such person.

(vii) *Survival of the Original Reference Rate*: Without prejudice to the obligations of the Issuer under Condition 4(d), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(ii) and Condition 4(c)(ii) will continue to apply unless and until either a Successor Rate or an Alternative Rate (and any associated Adjustment Spread and/or Benchmark Amendments) is determined pursuant to this Condition 4(d).

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of Condition 4(d), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified (and, until such determination and notification (if any), the fallback provisions provided for in Condition 4(b)(ii) and Condition 4(c)(ii) will continue to apply).

(viii) *Definitions:* As used in this Condition 4(d):

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate),

(ii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied),

(iii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 4(d)(ii)(B) 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) for the same interest period and in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 4(d)(iv).

"**Benchmark Event**" means:

(1) the Original Reference Rate ceasing to be published for a period of at least five consecutive Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will 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); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(4) 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; or

(5) an official announcement by the supervisor of the administrator of the Original Reference Rate, with effect from a date after 31 December 2021, that the Original Reference Rate is no longer representative of its relevant underlying market; or

(6) it has become unlawful for the Principal Paying Agent, any Paying Agent, the Issuer or any other party to calculate any payments due to be made to any Holder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of subparagraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (4) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement and, in each case, not the date of the relevant public statement.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own cost under Condition 4(d)(i).

"**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) on the Notes; or

(ii) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 4(d).

"**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.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(e) Benchmark Discontinuation – ARRC SOFR

This Condition 4(e) applies only if (i) the Specified Currency is U.S. dollars and the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, is SOFR (Non Index) or SOFR (Index) and (ii) "Benchmark Discontinuation – ARRC SOFR" is also specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(i) *Benchmark Replacement*: If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(ii) *Benchmark Replacement Conforming Changes*: In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time.

If the Issuer exercises its right to make Benchmark Replacement Conforming Changes at any time, at the request of the Issuer, but subject to receipt by the Trustee and Principal Paying Agent of a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person, pursuant to Condition 4(c)(iv), the Trustee and Principal Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee and Principal Paying Agent shall not be liable to any party for any consequences thereof, provided that the Trustee and Principal Paying Agent shall not be obliged so to concur if in the opinion of the Trustee and Principal Paying Agent doing so would impose more onerous obligations upon 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 and/or the Principal Paying Agent (as applicable) in these Conditions, the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

In connection with any such Benchmark Replacement Conforming Changes in accordance with this Condition 4(e)(ii), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(e), no Benchmark Replacement 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 Issuer, the same could reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Notes (in the case of Subordinated Notes) as Tier 2 capital or (in any case) as MREL Eligible Liabilities (to the extent the relevant Series counts as such at the relevant time), as the case may be, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors

or other Authorised Signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely, without liability and without enquiry to any person).

In the case of Senior Preferred Notes and Senior Non-Preferred Notes only, no Benchmark Replacement will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 4(e), if and to the extent that, in the determination of the Issuer and to the extent applicable to the relevant Notes at the relevant time, 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, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely, without liability and without enquiry to any person).

(iii) *Decisions and Determinations*: Any determination, decision or election that may be made by the Issuer pursuant to this Condition 4(e), including (A) any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection and (B) for the avoidance of doubt, any Benchmark Replacement Conforming Changes, will be conclusive and binding (in the absence of manifest error) and subject as provided in this Condition 4(e), may be made in the Issuer's sole discretion, and, subject as provided in this Condition 4(e), shall become effective without consent from any other party.

(iv) *Notices, etc.*: Any Benchmark Replacement and the specific terms of any Benchmark Replacement Conforming Changes determined under this Condition 4(e) will be notified promptly by the Issuer to the Trustee, the Principal Paying Agent, the Paying Agents and, in accordance with Condition 15, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any.

No later than notifying the Trustee and Principal Paying Agent of the same, the Issuer shall deliver to the Trustee and Principal Paying Agent a certificate signed by two directors or other Authorised Signatories of the Issuer:

(a) confirming (i) that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, (ii) the relevant Benchmark Replacement and (iii) where applicable, the specific terms of any Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 4(e); and

(b) certifying that the Benchmark Replacement Conforming Changes (if applicable) are appropriate to reflect the adoption of the relevant Benchmark Replacement.

The Trustee and Principal Paying Agent shall be entitled to rely on any certificate delivered pursuant to this Condition 4(e) (without enquiry or liability to any person and without the obligation to verify or investigate the accuracy thereof) as sufficient evidence thereof. The Benchmark Replacement and the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error and without prejudice to the Trustee's and the Principal Paying Agent's ability to rely on such certificate as aforesaid) be conclusive and binding on the Issuer, the Trustee, the Principal Paying Agent, the Paying Agents and the Holders. For the avoidance of doubt, each of the Trustee and the Principal Paying Agent shall not be liable to the Holders or any other such person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of the Holders or any other such person.

(v) *Definitions*: As used in this Condition 4(e):

"**Benchmark**" means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

(1) 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 then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(2) the sum of: the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark 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 Issuer as of the Benchmark Replacement Date:

(1) 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;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer 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 definition of "Interest Accrual Period", timing and frequency of determining rates and making payments of interest) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) in the case of clause (1) or (2) 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 Benchmark (or such component) permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of clause (3) 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 giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (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 Benchmark (or such component);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (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 Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**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 Benchmark;

"**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 Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, the Relevant Time, and (2) if the Benchmark is not SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes;

"**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; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(f) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement until the date on which, upon (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment) due presentation of the relevant Note, the relevant payment is made or, if earlier (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Trustee, the Principal Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders in accordance with Condition 15 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

5 Redemption, Purchase, Substitution and Variation

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

(b) *Early Redemption for Taxation Reasons*

Subject to Condition 5(j) below, if:

(A)

(i) in relation to any Series of Notes, a Withholding Tax Event occurs; or

(ii) in relation to any Series of Notes where "Tax Event Call" is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, a Tax Event occurs;

and

(B) a Tax Certificate has been delivered to the Trustee by the Issuer,

the Issuer may, at its option, redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their Early Redemption Amount referred to in Condition 5(d) below, together with accrued interest (if any) thereon, *provided that*:

(a) notice is given by the Issuer to the Trustee and the Holders in accordance with Condition 15 not less than 15 nor more than 60 days' (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) prior to redemption;

(b) in the case of Floating Rate Notes only, redemption is to be on an Interest Payment Date; and

(c) where the Issuer would be obliged to pay additional amounts as provided in Condition 7 in respect of any payment due in respect of the Notes, then no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Notes, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts.

Any such notice of redemption given in accordance with this Condition 5(b) shall be irrevocable.

The Trustee shall be entitled to accept any evidence provided pursuant to (B) above (without liability or enquiry to any person) as sufficient evidence that the circumstances referred to therein prevail and that the events described in (A)(i) and/or (A)(ii) above have occurred, in which event they shall be conclusive and binding on the Holders.

For the purposes of this Condition 5(b):

"**Change in Tax Law**" means:

(a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of any Taxing Jurisdiction affecting taxation;

(b) any governmental action in the Taxing Jurisdiction; or

(c) any amendment to, clarification of, or change in the official position or interpretation of such law, treaty (or regulation thereunder) or governmental action or any pronouncement that provides for a position with respect to such law, treaty (or regulation thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, change, action, interpretation, pronouncement or decision is made known;

a "**Tax Certificate**" means a certificate signed by two directors or other Authorised Signatories of the Issuer, stating that, as of its date, the circumstances constituting a Tax Event or a Withholding Tax Event (as the case may be) are prevailing and describing the facts leading thereto;

a "**Tax Event"** shall occur if, as a result of a Change in Tax Law of the Taxing Jurisdiction which becomes effective or is announced on or after the Issue Date of the most recently issued Tranche of such Notes:

(a) the Issuer is, or will be, subject to pay additional amounts as provided in Condition 7 in respect of taxes, duties, governmental charges or civil liabilities with respect to the Notes or any payments thereunder;

(b) to the extent (prior to the relevant Change in Tax Law) the Issuer was entitled to claim a deduction in respect of the Notes in computing its taxation liabilities, the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of payments in respect of the Notes in computing its taxation liabilities (or the value of any such deduction would be reduced); or

(c) the treatment of any of the Issuer'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 Issuer will not be respected by a taxing authority, which subjects the Issuer to additional taxes, duties or governmental charges or civil liabilities;

"**Taxing Jurisdiction**" means the Kingdom of Sweden or any authority or agency therein or thereof having power to tax; and

a "**Withholding Tax Event**" shall occur if, in respect of any payment of principal or interest of the Notes, as a result of a Change in Tax Law of the Taxing Jurisdiction which becomes effective or is announced on or after the Issue Date of the most recently issued Tranche of such Notes, the Issuer would be required to pay additional amounts as provided in Condition 7.

(c) Redemption at the Option of the Issuer (Issuer Call)

Subject to Condition 5(j) below, if Issuer Call is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Issuer may, having given:

(i) not less than 15 nor more than 60 days' notice (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) to the Holders in accordance with Condition 15; and

(ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Trustee, the Principal Paying Agent (copied to the other Paying Agents, in the case of Bearer Notes) and the Registrar (copied to the Principal Paying Agent and the Transfer Agents, in the case of Registered Notes);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and 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), as the case may be, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(c) and notice to that effect shall be given by the Issuer to the Holders in accordance with Condition 15 at least five days prior to the Selection Date.

(d) Early Redemption Amounts

For the purpose of Condition 5(b) above and Condition 6:

(i) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount (as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement); and

(ii) each Zero Coupon Note will be redeemed at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

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

(e) Purchases

The Issuer or any of its consolidated subsidiaries may purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise, subject to (to the extent applicable to the relevant Notes at the relevant time), (i) (in the case of the Senior Preferred Notes and the Senior Non-Preferred Notes) the Applicable MREL Regulations or (in the case of the Subordinated Notes) the Applicable Capital Adequacy Regulations in force at the relevant time, (ii) the prior consent of the Relevant Regulator (if such consent is required by the Applicable MREL Regulations or the Applicable Capital Adequacy Regulations, as the case may be) and (iii) applicable law and regulation. Such Notes may be held, reissued, resold or, at the discretion of the Issuer, surrendered to the Principal Paying Agent or the Registrar, as the case may be, for cancellation.

In these Conditions:

“**Relevant Regulator**” means (to the extent applicable to the relevant Notes at the relevant time) (i) (in respect of the Subordinated Notes) the Swedish FSA and (ii) (in respect of the Senior Preferred Notes and the Senior Non-Preferred Notes) the Swedish National Debt Office or such other authority tasked with matters relating to the qualification of securities of the Issuer and/or the Group, as the case may be, under the Applicable MREL Regulations; and

“**Swedish FSA**” means the Swedish Financial Supervisory Authority (Sw: *Finansinspektionen*) or any successor entity primarily responsible for the prudential supervision of the Issuer or the Group, as the case may be.

(f) Cancellation

All Notes which are redeemed will forthwith be cancelled (together, in the case of Definitive Bearer Notes, with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 5(e) above (together, in the case of Definitive Bearer Notes, with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(g) 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 Condition 5(a), 5(b) or 5(c) or upon its becoming due and repayable as provided in Condition 6 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5(d)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent, the Registrar or the Trustee and notice to that effect has been given to the Holders in accordance with Condition 15.

(h) Subordinated Notes - Redemption Upon the Occurrence of a Capital Event

This Condition 5(h) applies only in the case of Notes specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being Subordinated Notes and where this Condition 5(h) is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, and references to "**Notes**" in this Condition 5(h) shall be construed accordingly.

Subject to Condition 5(j) below, if a Capital Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant Capital Event, at its option, give notice to (i) the Trustee, (ii) the Principal Paying Agent and (iii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed:

(a) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than 15 nor more than 60 days (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the date of such notice; or

(b) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 15 nor more than 60 days (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days (or such other maximum notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the date of such notice,

in each case, at their principal amount or such other amount as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, together (in each case) with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the Notes.

In these Conditions:

"**Applicable Capital Adequacy Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Sweden including, without limitation to the generality of the foregoing, CRD, regulatory technical standards and guidance from the European Banking Authority and those regulations, requirements, guidelines and policies relating to capital adequacy adopted from time to time and then in effect of the Relevant Regulator (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group, as the case may be);

A "**Capital Event**" means the determination by the Issuer, after consultation with the Relevant Regulator, that by reason of the non-compliance of the Notes with the criteria for Tier 2 capital as a result of a change in Swedish law or Applicable Capital Adequacy Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the most recently issued Tranche of the Notes, either (i) the Notes are fully excluded or (ii) if the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that Partial Capital Exclusion applies and to the extent partial exclusion is not prohibited under the Applicable Capital Adequacy Regulations, the Notes are fully or partially excluded, from the Tier 2 capital of the Group and/or (if the relevant Notes are included at the time in the Tier 2 capital of the Issuer on an individual basis) the Issuer, as the case may be (other than as a result of any applicable limitation on the amount of such capital), such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer; and

"**Tier 2 capital**" means Tier 2 capital for the purposes of the Applicable Capital Adequacy Regulations.

(i) Redemption upon occurrence of a MREL Disqualification Event

This Condition 5(i) applies only in the case of Notes where this Condition 5(i) is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, and references to "**Notes**" and "**Holders**" in this Condition 5(i) shall be construed accordingly.

Upon the occurrence of a MREL Disqualification Event the Issuer may, at its option, but subject to Condition 5(j), give notice to (i) the Trustee, (ii) the Principal Paying Agent and (iii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed

(a) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than 15 nor more than 60 days (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the date of such notice; or

(b) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 15 nor more than 60 days (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days (or such other maximum notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the date of such notice,

in each case, at their principal amount or at such other amount as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, together (in each case) with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the Notes.

For the purposes of these Conditions:

"**MREL Disqualification Event**" means, the determination by the Issuer that, as a result of a change in any Applicable MREL Regulations becoming effective on or after the Issue Date of the most recently issued Tranche of the Notes, it is likely that the Notes will be fully excluded or partially excluded from the instruments available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Group and/or (if the relevant Notes are included at the time in such instruments available to meet any MREL Requirement of the Issuer on an individual basis) the Issuer, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, provided that a MREL Disqualification Event shall not

occur where such exclusion is or will be caused by (1) the remaining maturity of such Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations or (2) any applicable limits on the amount of instruments permitted or allowed to meet any MREL Requirement(s) being exceeded.

(j) Conditions to Redemption, Purchase, Substitution and Variation

No early redemption, purchase, substitution or variation as contemplated by this Condition 5 of such Notes may be made without the prior consent of the Relevant Regulator (if such consent is required at the relevant time (in the case of Subordinated Notes) by the Applicable Capital Adequacy Regulations or (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) the Applicable MREL Regulations).

In addition, the Issuer may only redeem or purchase any Subordinated Notes prior to the fifth anniversary of the Issue Date of the most recently issued Tranche of the Subordinated Notes, (if required at the relevant time by the Applicable Capital Adequacy Regulations), if: (A) in the case of redemption upon the occurrence of a Withholding Tax Event or Tax Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the applicable change in tax treatment is material and was not reasonably foreseeable as at such Issue Date, (B) in the case of redemption upon the occurrence of a Capital Event or MREL Disqualification Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the relevant change was not reasonably foreseeable as at such Issue Date, or (C) in the case of a purchase pursuant to Condition 5(e), the Issuer having demonstrated to the satisfaction of the Relevant Regulator that the Issuer has (or will have), before or at the same time as such purchase, replaced the Notes with own funds instruments of equal or higher quality on terms that are sustainable for the income capacity of the Issuer, and the Relevant Regulator having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances.

(k) Substitution or Variation

This Condition 5(k) applies only where this Condition 5(k) is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, and references to "**Notes**" in this Condition 5(k) shall be construed accordingly.

If at any time, (i) where "MREL Disqualification Event" is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, a MREL Disqualification Event occurs and is continuing; (ii) in the case of Subordinated Notes, a Capital Event occurs and is continuing; (iii) in any case, a Withholding Tax Event occurs and is continuing; (iv) in any case, where "Tax Event Call" is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, a Tax Event occurs and is continuing; or (v) in any case, in order to ensure the effectiveness and enforceability of Condition 18(f), the Issuer may, subject to Condition 5(j) (without any requirement for the consent or approval of the Holders or, subject as provided below, the Trustee) on giving not less than 15 nor more than 60 days' (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) notice to (i) the Trustee, (ii) the Principal Paying Agent and (iii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes and/or the terms of the Trust Deed so that or provided that (as the case may be) they remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities (as defined below), in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities (as defined below) or, in the case of Subordinated Notes, Subordinated Qualifying Securities (as defined below), as the case may be.

The Trustee shall (at the request and expense of the Issuer) agree to the substitution of the Notes for, or the variation of the terms of the Notes so that or provided that (as the case may be) they remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, as aforesaid, provided that (i) the Trustee receives the certificate in the form described in the definition of Senior Preferred Qualifying Securities, Senior Non-Preferred Qualifying Securities or Subordinated Qualifying Securities, as the case may be, in accordance with the provisions thereof, and (ii) the terms of the proposed Senior Preferred Qualifying Securities, Senior Non-Preferred Qualifying Securities or Subordinated Qualifying Securities or the agreement to such substitution or variation, as the case may be, would not impose, in the Trustee's opinion, more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions and/or rights afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

The Trustee shall not be liable for any such substitution or variation, as the case may be, or any consequences thereof.

In these Conditions:

"**Senior Non-Preferred Qualifying Securities**" means securities issued directly or indirectly by the Issuer that:

(a) (other than in respect of (i) the effectiveness and enforceability of Condition 18(f) and (ii) paragraph (4) below) have terms not materially less favourable to the Holders as a class than the terms of the Senior Non-Preferred Notes (as reasonably determined by the Issuer and provided that a certification to such effect of two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person, shall have been delivered to the Trustee prior to (i) in the case of a substitution of the Senior Non-Preferred Notes, the issue of the relevant securities or (ii) in the case of a variation of the Senior Non-Preferred Notes, such variation, as the case may be), provided that they shall (1) include a ranking in right of payment at least equal to that of the Senior Non-Preferred Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the Senior Non-Preferred Notes prior to such substitution or variation, as the case may be, including, but not limited to, as to timing and amount, (4) comply with the then current requirements in relation to "eligible liabilities" (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the Senior Non-Preferred Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, (6) where the Senior Non-Preferred Notes which have been substituted or varied had a solicited credit rating immediately prior to their substitution or variation, be assigned a solicited credit rating equal to or higher than (i) the solicited credit rating of the Senior Non-Preferred Notes immediately prior to their substitution or variation or (ii) where the solicited credit rating of the Senior Non-Preferred Notes was, as a result of Condition 18(f) becoming ineffective and/or unenforceable, amended prior to such substitution or variation, the solicited credit rating of the Senior Non-Preferred Notes immediately prior to such amendment, and (7) not include any loss absorbing provisions such as principal write-offs, write-downs or conversion to equity, unless the triggers are objective and measurable; and

(b) are listed on a recognised stock exchange, if the Senior Non-Preferred Notes were listed immediately prior to such substitution or variation, as selected by the Issuer.

"**Senior Preferred Qualifying Securities**" means securities issued directly or indirectly by the Issuer that:

(a) (other than in respect of (i) the effectiveness and enforceability of Condition 18(f) and (ii) paragraph (4) below) have terms not materially less favourable to the Holders as a class than the terms of the Senior Preferred Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person, shall have been delivered to the Trustee prior to (i) in the case of a substitution of the Senior Preferred Notes, the issue of the relevant securities or (ii) in the case of a variation of the Senior Preferred Notes, such variation, as the case may be), provided that they shall (1) include a ranking in right of payment at least equal to that of the Senior Preferred Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Preferred Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the Senior Preferred Notes prior to such substitution or variation, as the case may be, including, but not limited to, as to timing and amount, (4) comply with the then current requirements in relation to "eligible liabilities" (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the Senior Preferred Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, (6) where the Senior Preferred Notes which have been substituted or varied had a solicited credit rating immediately prior to their substitution or variation, be assigned a solicited credit rating equal to or higher than (i) the solicited credit rating of the Senior Preferred Notes immediately prior to their substitution or variation or (ii) where the solicited credit rating of the Senior Preferred Notes was, as a result of Condition 18(f) becoming ineffective and/or unenforceable, amended prior to such substitution or variation, the solicited credit rating of the Senior Preferred Notes immediately prior to such amendment, and (7) not include any loss absorbing provisions such as principal write-offs, write-downs or conversion to equity, unless the triggers are objective and measurable; and

(b) are listed on a recognised stock exchange, if the Senior Preferred Notes were listed immediately prior to such substitution or variation, as selected by the Issuer.

"**Subordinated Qualifying Securities**" means securities issued directly or indirectly by the Issuer that:

(c) (other than in respect of (i) the effectiveness and enforceability of Condition 18(f) and (ii) paragraph (4) below) have terms not materially less favourable to the Holders as a class than the terms of the Subordinated Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person, shall have been delivered to the Trustee prior to (i) in the case of a substitution of the Subordinated Notes, the issue of the relevant securities or (ii) in the case of a variation of the Subordinated Notes, such variation, as the case may be), provided that they shall (1) include a ranking in right of payment at least equal to that of the Subordinated Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the Subordinated Notes prior to such substitution or variation, as the case may be, including, but not limited to, as to timing and amount, (4) comply with (i) the then current requirements of the Relevant Regulator in relation to Tier 2 capital, and (ii) (if "MREL Disqualification Event" is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the then current requirements in relation to "eligible liabilities" (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation,

as the case may be, or, if none, the Interest Commencement Date, (6) where the Subordinated Notes which have been substituted or varied had a solicited credit rating immediately prior to their substitution or variation, be assigned a solicited credit rating equal to or higher than (i) the solicited credit rating of the Subordinated Notes immediately prior to their substitution or variation or (ii) where the solicited credit rating of the Subordinated Notes was, as a result of Condition 18(f) becoming ineffective and/or unenforceable, amended prior to such substitution or variation, the credit rating of the Subordinated Notes immediately prior to such amendment, and (7) not include any loss absorbing provisions such as principal write-offs, write-downs or conversion to equity, unless the triggers are objective and measurable; and

(d) are listed on a recognised stock exchange, if the Subordinated Notes were listed immediately prior to such substitution or variation, as selected by the Issuer.

(l) Clean-Up Call Option

This Condition 5(l) applies only in the case of Notes where this Condition 5(l) is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and references to "**Notes**" and "**Holders**" in this Condition 5(l) shall be construed accordingly.

If the Clean-up Call Minimum Percentage (or more) of the principal amount outstanding of the Notes originally issued have been redeemed or purchased and subsequently cancelled in accordance with this Condition 5, the Issuer may, at its option, but subject to Condition 5(j), give notice to (i) the Trustee, (ii) the Principal Paying Agent and (iii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed:

(a) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than 15 nor more than 60 days (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the date of such notice; or

(b) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 15 nor more than 60 days (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days (or such other maximum notice period as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the date of such notice,

in each case, at their principal amount or at such other amount as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as the Clean-Up Call Option Amount together (in each case) with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the Notes.

For the purposes of this Condition 5(l), any further notes, bonds or debentures issued pursuant to Condition 16 which are consolidated and form a single series with the Notes of any Series outstanding at that time will be deemed to be originally issued.

For the purposes of these Conditions, "**Clean-Up Call Minimum Percentage**" means 75 per cent., unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

6 Events of Default

(a) Events of Default

(i) The following shall be events of default (each an "**Event of Default**") in relation to the Notes of any Series, namely:

(A) the Issuer shall default in the payment of principal in respect of any Note due and payable in accordance with these Conditions and any such default continues for 7 days or the Issuer shall default in the payment of interest due on any Notes on an Interest Payment Date or any other date on which the payment of interest is compulsory and any such default continues for 30 days; or

(B) a court or agency or supervisory authority in the Kingdom of Sweden (having jurisdiction in respect of the same) shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, or similar arrangements involving the Issuer or all or substantially all of its property and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days; or

(C) the Issuer shall file a petition to take advantage of any insolvency statute or voluntarily suspends payment of its obligations.

For the avoidance of doubt, a "resolution" or "moratorium" under the BRRD will not constitute an Event of Default.

Subject to Condition 13, if any Event of Default shall have occurred and be continuing in relation to any Series of Notes, the Trustee may at its discretion, and if so requested by Holders of at least one-quarter in principal amount of the Notes of such Series then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) will, by written notice to the Issuer declare that such Notes are and shall, subject to the provisions set out below in this Condition 6(a)(i), immediately become, due and payable at their Early Redemption Amount together with all interest (if any) accrued thereon.

If a Note becomes due and payable under this Condition 6(a)(i), the Trustee may institute such steps, including the obtaining of a judgment against the Issuer for any amount due in respect of the Notes, as it thinks desirable with a view to having the Issuer declared bankrupt (Sw: *konkurs)* or put into liquidation (Sw: *likvidation)* but not otherwise and consequently if the Notes become due and payable under this Condition 6(a)(i) the Issuer shall, with the prior consent of the Relevant Regulator (if such consent is required by the Applicable MREL Regulations (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) or the Applicable Capital Adequacy Regulations (in the case of Subordinated Notes)), only be required to make such payment after it has been declared bankrupt (Sw: *konkurs)* or put into liquidation (Sw: *likvidation).*

(ii) The Trustee may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to Condition 6(a)(i) above, any obligation for the payment of any principal or interest in respect of the Notes) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(iii) No remedy against the Issuer, other than as provided in Condition 6(a)(i) and 6(a)(ii) above or proving or claiming in the bankruptcy (Sw: *konkurs)* or liquidation (Sw: *likvidation)* of the Issuer in the Kingdom of Sweden or elsewhere, shall be available to the Trustee or the Holders of Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by

the Issuer of any of its obligations or undertakings under the Notes or the Trust Deed. For the avoidance of doubt, this does not affect the Trustee's personal rights to be paid and/or indemnified.

(b) ***Exercise of Swedish Statutory Loss Absorption Powers***

The exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes will not be an Event of Default with respect to such Notes.

7 Taxation

(a) All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes or Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Taxing Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, in the case of a payment of interest only, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by any Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any payment in respect of any Note or Coupon:

(i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Taxing Jurisdiction other than the mere holding of such Note or Coupon; or

(ii) presented for payment by a Holder who is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption; or

(iii) presented for payment more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or

(iv) presented for payment in the Kingdom of Sweden.

(b) For the purposes of these Conditions, the "Relevant Date" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Trustee or the Principal Paying Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 15.

(c) Notwithstanding anything to the contrary in the paragraph (a) above, neither the Issuer 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.

(d) Any reference in these Conditions to interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 7.

8 Payments

(a) ***Method of Payment***

Subject as provided below:

(i) payments in a Specified Currency other than Euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney 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 (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). References to "**Specified Currency**" will include any successor currency under applicable law.

(b) Presentation of Definitive Bearer Notes and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 8(a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Except as provided below, all payments of interest and principal with respect to Bearer Notes will be made at such paying agencies outside the United States as the Issuer may appoint from time to time and to accounts outside the United States.

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

Upon the date on which any Floating Rate Note, Reset Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate

Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

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 Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

(c) Payments in Respect of Bearer Notes in Global Form

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

(d) Payments in Respect of Registered Notes

Payments of principal in respect of Registered Notes (whether in definitive or global form) will be made in the manner provided in Condition 8(a) above to the persons in whose name such Notes are registered at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Notes at the specified office of the Registrar.

Payments of interest due on a Registered Note (whether in definitive or global form) will be made in the manner specified in Condition 8(a) to the person in whose name such Note is registered (i) where in global form, at the close of business on the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to such due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the "**Record Date**")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the Holder (or the first named of joint Holders) at such Holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Notes is required by credit or transfer as referred to in Condition 8(a) above, application for such payment must be made by the Holder to the Registrar not later than the relevant Record Date.

(e) ***General Provisions Applicable to Payments***

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

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

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and/or interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) ***Payment Day***

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

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) in the case of Notes in definitive form only, the relevant place of presentation;

(B) each Financial Centre (other than T2) specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; and

(C) if T2 is specified as a Financial Centre in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, a day on which T2 is open; and

(ii) either (I) 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 (II) in relation to any sum payable in Euro, a day on which T2 is open.

(g) ***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;

(iv) the Clean-Up Call Option Amount (if any) of the Notes;

(v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(d)); and

(vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

9 Prescription

(a) The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date relating thereto. Any moneys paid by the Issuer to the Agents 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 Issuer's request) be repaid by the relevant Agent to the Issuer, and the Holders of the relevant Notes or Coupons shall thereafter only look to the Issuer for any payment which such Holders may be entitled to collect.

(b) There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 8(b) or any Talon which would be void pursuant to Condition 8(b).

10 Agents

The initial Agents and their respective initial specified offices are specified below. If any additional Paying Agents are appointed in connection with any Series of Notes, the names of such Paying Agents will be specified in Part B of the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. The Issuer (with the prior written approval of the Trustee (such approval not to be unreasonably withheld)) reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

(c) there will at all times be a Paying Agent (in the case of Bearer Notes) in a jurisdiction within continental Europe;

(d) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent, which may be the Principal Paying Agent, and a Registrar and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(e) there will at all times be a Registrar (in the case of a Series of Registered Notes) which, if the Registrar originally appointed in respect of such Series had its specified office outside the United Kingdom, shall also have a specified office outside the United Kingdom.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 8(e).

The Agents reserve the right at any time to change their respective specified offices to some other specified office in the same city.

Notice of all changes in the identities or specified offices of the Agents, will be notified promptly to the Issuer, the Trustee and the Holders.

11 Replacement of Notes and Coupons

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

12 Meetings of Holders, Modification and Waiver and Substitution

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings of Holders (including by audio or video conference call) to consider any matter affecting their interests, including (without limitation) the modification of the Notes, the Coupons or of any provision of these Conditions, the Agency Agreement or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Any Extraordinary Resolution (i) duly passed at any meeting of Holders or (ii) passed by way of electronic consents given by Holders through the relevant clearing system(s) will be binding on all Holders, whether or not they are present at any meeting and whether or not they had voted on the resolution.

Such a meeting may be convened by the Trustee, the Issuer or by the Trustee upon the request in writing of Holders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate principal amount of the Notes for the time being outstanding or, at any adjourned meeting, one or more persons being or representing Holders whatever the aggregate principal amount of the Notes held or represented; provided, however, that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Holders at which one or more persons holding or representing not less than two thirds or, at any adjourned meeting, one or more persons holding or representing not less than one third in principal amount of the Notes for the time being outstanding form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Holders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Holders representing not less than 75 per cent. in principal amount of the Notes for the time being outstanding who for the time being are entitled to receive notice of a meeting of Holders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

(b) Modification and waiver

The Trustee may agree, without the consent of the Holders, to (i) any modification of any provision of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error and (ii) any other modification (except such modifications in respect of which an increased quorum is required, as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any provision the Notes, of these Conditions or the Trust Deed or determine, without any such consent as aforesaid, that any Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee materially prejudicial to the interests of the Holders. In addition, the Trustee shall be obliged to concur with the Issuer without the consent of the Holders in effecting (i) any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(d); (ii) any Benchmark Replacement Conforming Changes in the circumstances and as otherwise set out in Condition 4(e), and (iii) any substitution of a Series of Notes or variation of the terms of a Series of Notes and/or the terms of the Trust Deed in respect thereof in the circumstances and as otherwise set out in Condition 5(k). Any such modification, substitution, waiver, authorisation or determination shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, substitution, authorisation or determination), the Trustee shall have regard to the general interests of the Holders as a class (but shall not have regard to any interests arising from circumstances particular to individual Holders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Holders except to the extent already provided for in Condition 7 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

Any modification to these Conditions in relation to the Notes is subject to the prior permission of the Relevant Regulator (if such permission is required by the Applicable MREL Regulations or Applicable Capital Adequacy Regulations, as the case may be).

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendments to the Trust Deed and such other conditions as the Trustee may require, without the consent of the Holders, to the substitution of any other company in place of the Issuer, or of any previously substituted company as principal debtor under the Notes, Coupons and the Trust Deed provided always that the Trustee is satisfied that the interests of the Holders will not be materially prejudiced by the substitution, and certain other conditions set out in the Trust Deed are complied with. Any such substitution in relation to any Series of Notes is subject to the prior consent of the Relevant Regulator (if such consent is required (in the case of Subordinated Notes) by the Applicable Capital Adequacy Regulations or (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) the Applicable MREL Regulations).

13 Enforcement

At any time after the Notes become due and payable (subject to Condition 6, as applicable), the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to

enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Holders holding at least one-quarter in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Holder of Notes or Coupons may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing. The Trustee shall not be obliged to make a declaration as referred to in Condition 6(a)(i) unless indemnified and/or secured and/or prefunded to its satisfaction.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

15 Notices

(a) To Holders of Bearer Notes

Notices to Holders of Bearer Notes will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times)* or, if such publication is not practicable, if published in a leading English-language newspaper having general circulation in the United Kingdom approved by the Trustee or, in the case of Notes represented by a Temporary Global Note or a Permanent Global Note, if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein. Provided that, in the case of Notes listed on a stock exchange or admitted to trading by another relevant authority and if the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules or by such other means as required by the relevant stock exchange or relevant authority. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the fourth Business Day after the date of such delivery.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice to the Holders of Bearer Notes in accordance with this Condition.

(b) To Holders of Registered Notes

In the case of any Registered Notes represented by a global Note, notices shall be deemed to be validly given if delivered to Euroclear, Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein. Any notice so given will be deemed to have been validly given on the date of such delivery.

Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules or by such other means as required by the relevant stock exchange or relevant authority.

(c) ***To the Issuer***

Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at its official address registered with the Swedish Companies Office from time to time, for the attention of the Chief Financial Officer with a copy to cfp@klarna.com, and will be deemed to have been validly given at the opening of business on the next day on which the Issuer's principal office is open for business.

16 Further Issues

The Issuer may from time to time without the consent of the Holders of any Notes of any Series create and issue further notes, bonds or debentures having the same terms and conditions as the Notes of such Series in all respects (or in all respects except for the issue date, issue price, the first payment of interest, if any, on them and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single series with the Notes of such Series.

17 Currency Indemnity

The currency in which the Notes are denominated or, if different, payable, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (the "**Contractual Currency**") is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of a Note or a Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or a Coupon in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or a Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or a Coupon and no proof or evidence of any actual loss will be required by the Issuer.

18 Governing Law, Jurisdiction and Swedish Statutory Loss Absorption Powers

(a) ***Governing law****:* The Notes, the Agency Agreement and the Trust Deed, all matters arising from or connected with them and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, English law, except that the provisions in the Notes under Condition 3 and Clause 5 of the Trust Deed are governed by, and shall be construed in accordance with, Swedish law.

(b) ***English courts****:* The Issuer agrees for the benefit of the Trustee and the Holders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with the Notes (including a Dispute relating to any non-contractual obligations arising out of or in connection therewith).

(c) ***Appropriate forum****:* The Issuer agrees that the courts referred to in Condition 18(b) are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.

(d) ***Rights of Holders to take proceedings outside England****:* Condition 18(b) is for the benefit of the Trustee and the Holders only. As a result, nothing in this Condition 18 prevents the Trustee or any Holder from taking proceedings relating to a Dispute ("**Proceedings**") (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed) in any other courts with jurisdiction. To the extent allowed by law, the Trustee and the Holders may take concurrent Proceedings in any number of jurisdictions.

(e) ***Process agent****:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered in connection with any Proceedings in England to Klarna Bank AB UK Branch at Aviation House, 125 Kingsway, Holborn, London WC2B 6NH, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of any Holder addressed to the Issuer and delivered to the Issuer or to the specified office of the Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Holder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Trustee. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(f) ***Acknowledgement of 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 Issuer and any Holder (which, for the purposes of this Condition 18(f), includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Holder 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:

(I) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(II) 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 Issuer or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(III) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(IV) 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.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Swedish Statutory Loss Absorption Powers or the date from which the Swedish Statutory Loss Absorption Powers shall be effective with respect to the Notes, the Issuer shall notify the Holders in accordance with Condition 15 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Swedish Statutory Loss Absorption Powers nor the effects on the Notes described in this Condition.

For the purposes of this Condition 18(f):

"**Relevant Amounts**" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts (as described in Condition 7) 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 Resolution Authority**" means the resolution authority with the ability to exercise any Swedish Statutory Loss Absorption Powers in relation to the Issuer; and

"**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 (*Lagen* (*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 Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

19 Third Parties

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

USE AND ESTIMATED NET AMOUNTS OF PROCEEDS

The net proceeds from each Tranche of Notes will, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, be used by the relevant Issuer for the general corporate purposes of the Group.

In the case of Notes other than Exempt Notes, the estimated net amount of proceeds of each Tranche of Notes will be stated in the applicable Final Terms.

FORM OF NOTES; SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Notes may, subject to all applicable legal and regulatory requirements, be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

Form of Registered Notes

In the case of Registered Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement may specify that the Notes will be issued in global form ("**Registered Global Notes**") held in specified clearing systems, as described below, or in definitive form ("**Registered Definitive Notes**").

Form of Registered Global Notes

If Notes are to be issued in the form of Registered Global Notes, the relevant Issuer will deliver a Registered Global Note, without interest coupons.

The Registered Global Note will be deposited on or about the issue date for the relevant Tranche with a common depositary or a common safekeeper, as the case may be, for, and registered in the name of Euroclear Bank SA/NV ("**Euroclear**") as nominee for Euroclear and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or in the name of a nominee of the common safekeeper. A beneficial interest in the Registered Global Note may at all times be held only through Euroclear and Clearstream, Luxembourg. In the circumstances described below under "*Exchange and Transfer of Registered Global Notes for Registered Definitive Notes*", interests in any Registered Global Note will be exchangeable for Registered Definitive Notes.

Each Registered Global Note will have an ISIN number.

Owner of Registered Global Notes and Payments

Subject to certain provisions of the Trust Deed relating to directions, sanctions and consents of Holders of Registered Notes and to meetings of Holders, so long as Euroclear, Clearstream, Luxembourg or the nominee of their common depositary or the nominee of the common safekeeper, as the case may be, is the registered owner or Holder of a Registered Global Note, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or Holder of the Notes represented by such Registered Global Note for all purposes under the Trust Deed and the Notes. Payments of principal, interest and additional amounts, if any, pursuant to Condition 8, if any, on Registered Global Notes will be made to Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the registered Holder thereof. None of the Issuer, the Registrar, any Transfer Agent and any Paying Agent or any affiliate of any of the above will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Exchange and Transfer of Registered Global Notes for Registered Definitive Notes

Beneficial interests in a Registered Global Note will be exchangeable, in whole but not in part, for Registered Definitive Notes: (i) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (ii) if an Event of Default as set out in Condition 6 occurs and is continuing; or (iii) if so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, if the Holder of the relevant Registered Global Note requests that such interest be exchanged for Registered Definitive Notes in the relevant from; or (iv) at the option of the relevant Issuer, if such Issuer, any Paying Agent or the Registrar, by reason of any change in, or amendment to, Swedish law, is or will be required to make any deduction or

withholding from any payment under the Notes which would not be required if such Notes were in definitive form.

In such circumstances, (a) the Registrar will be required to notify all Holders of interests in the relevant Registered Global Notes registered in the name of Euroclear, Clearstream, Luxembourg or the nominee of their common depositary or the nominee of the common safekeeper, as the case may be, of the availability of Registered Definitive Notes, and (b) the relevant Issuer will, at the cost of such Issuer, cause sufficient Registered Definitive Notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Holders. A person having an interest in the relevant Registered Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver the relevant Registered Definitive Note.

Notes in one form (bearer or registered) will not be exchangeable for Notes in the other.

The Holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 2 of the Terms and Conditions of the Notes. The Holder of a Registered Definitive Note may transfer such Note by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon.

The Registrar will not register the transfer of or exchange of interests in a Registered Global Note for Registered Definitive Notes for a period of 15 calendar days preceding the due date for any payment in respect of the Notes.

Form of Bearer Notes

Each Tranche of Bearer Notes with a maturity of more than one year will be issued in accordance with U.S. Treasury regulation 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) ("**TEFRA D**") and will be represented upon issue by a temporary global Note in bearer form without interest coupons or talons (a "**Temporary Global Note**") which will:

(i) if the Temporary Global Note is intended to be issued in New Global Note ("**NGN**") form, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg; and

(ii) if the Temporary 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.

Interests in a Temporary Global Note will be exchangeable either for Bearer Notes in definitive form ("**Definitive Bearer Notes**") or for interests in a permanent global Note in bearer form without interest coupons or talons (a "**Permanent Global Note**"), on or after the date (the "**Exchange Date**") which is 40 days after the date on which such Temporary Global Note is issued and upon certification as to non-U.S. beneficial ownership thereof or otherwise as required by U.S. Treasury regulations, in accordance with the terms of such Temporary Global Note and as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

Any Permanent Global Note will be exchangeable, in whole but not in part, for Definitive Bearer Notes either (a) upon not less than 45 days' written notice (expiring at least 30 days after the Exchange Date) from the bearer to the Principal Paying Agent as described therein or (b) upon not less than 45 days' written notice (expiring at

least 30 days after the Exchange Date) from the bearer to the Principal Paying Agent only upon the occurrence of an Exchange Event as described therein. "Exchange Event" means, unless otherwise specified in the Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, (i) either of Euroclear or Clearstream, Luxembourg or any other clearing system by which the Notes have been accepted for clearing is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently, (ii) an Event of Default as set out in Condition 6 occurs and is continuing or (iii) at the option of the relevant Issuers if such Issuer or any Paying Agent, by reason of any change in, or amendment to, Swedish law, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if such Notes were in definitive form.

In respect of Notes represented by a global Note issued in NGN form, the nominal amount of such Notes shall be the aggregate amount from time to time entered in the records of Euroclear and/or Clearstream, Luxembourg. The records of Euroclear and Clearstream, Luxembourg shall be conclusive evidence of the nominal amount of such Notes and a statement issued by Euroclear and/or Clearstream, Luxembourg shall be conclusive evidence of the records of such parties at that time.

Payments in respect of Bearer Notes

All payments, if any, in respect of the Definitive Bearer Notes will be made against presentation and surrender or, in respect of a Temporary Global Note or Permanent Global Note, presentation of the relevant Temporary Global Note or Permanent Global Note, as the case may be, (if such Notes are not intended to be issued in NGN form) at the specified office of any Paying Agent outside the United States. A record of each payment so made in respect of Notes when represented by a Permanent Global Note will be made by (i) in the case of Notes not intended to be issued in NGN form, endorsement on the relevant schedule to such Permanent Global Note by or on behalf of the relevant Paying Agent, which endorsement will be *prima facie* evidence that such payment has been made or (ii) in the case of Notes issued in NGN form, the relevant Paying Agent instructing Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

If any date on which a payment of interest is due on the Notes of a Series issued in accordance with TEFRA D occurs while any of the Notes of that Series are represented by a Temporary Global Note, the relevant interest payment will be made on such Temporary Global Note (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification has been received by Euroclear and/or Clearstream, Luxembourg as to the non-U.S. beneficial ownership thereof, as required by U.S. Treasury regulations, in accordance with the terms of such Temporary Global Note.

Issuer-ICSDs Agreement

The Issuers have each entered or will each enter into an agreement with Euroclear and Clearstream, Luxembourg (together, the "**ICSDs**") in respect of any Bearer Notes issued in NGN form or any Registered Notes intended to be held under the new safekeeping structure ("**NSS**") that the relevant Issuer may request be made eligible for settlement with the ICSDs (each an "**Issuer-ICSDs Agreement**"). Each Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any such Notes, *inter alia,* maintain records of their respective portion of the issue outstanding amount and will, upon the relevant Issuer's request, produce a statement for such Issuer's use showing the total nominal amount of its customer holdings of such Notes as of a specified date.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes (other than Exempt Notes) issued under the Programme.

[**PROHIBITION OF SALES TO EEA 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 (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO 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 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 (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**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 [MiFID II/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. [*Details of any negative target market to be included if applicable*]. 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.]

[UK MIFIR 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if*

applicable]. 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 the FCA Handbook Product Intervention and Product Governance Sourcebook 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 [MiFID II/Directive 2014/65/EU (as amended) ("MiFID II")]; ***EITHER*** [(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 (as defined below) suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. 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].]]

[UK MIFIR 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 retail clients, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); ***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 COBS, as applicable]]. [*Consider any negative target market*]. 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 the FCA Handbook Product Intervention and Product Governance Sourcebook 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 COBS, as applicable].]]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")** – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified 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).][1]

[IMPORTANT NOTICE

In accessing the attached final terms (the "Final Terms") you agree to be bound by the following terms and conditions.

The information contained in the Final Terms may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Final Terms and/or in the Base Prospectus (as defined in the Final Terms) and is not intended for use and should not be relied upon by any person outside those countries and/or to whom the offer contained in the Final Terms is not addressed. **Prior to relying on the information contained in the Final Terms, you must ascertain from the Final Terms and/or the Base Prospectus whether or not you are an intended addressee of the information contained therein.**

Neither the Final Terms nor the Base Prospectus constitutes an offer to sell or the solicitation of an offer to buy securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

The securities described in the Final Terms and the Base Prospectus have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons or to persons within the United States of America (as such terms are defined in Regulation S under the Securities Act ("**Regulation S**")). The securities described in the Final Terms will only be offered in offshore transactions to non-U.S. persons in reliance upon Regulation S.]

[Date]

[KLARNA BANK AB (publ)]/[KLARNA HOLDING AB (publ)]

Legal Entity Identifier (LEI): [549300O3HXYXXUHR0897]/[984500CCFABF562J8533]

Issue of
[Aggregate Nominal Amount of Tranche] [Title of Notes]
under the
EUR 3,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 7 October 2024 (the "**Base Prospectus**") [as supplemented by the supplement[s] dated [●] [and [●]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation. For the purposes of these Final Terms, "**Prospectus Regulation**" means Regulation (EU) 2017/1129. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin at https://live.euronext.com.]

[1] Legend to be included on front of the Final Terms if the Issuer has re-classified the Notes as "capital markets products other than prescribed capital markets products" and "Specified Investment Products" pursuant to Section 309B of the SFA prior to the launch of the offer and the Notes are to be offered in Singapore. 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.

[*The following alternative language applies if the first Tranche of an issue which is being increased was issued under a prospectus 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 Base Prospectus dated 19 June 2023 which is incorporated by reference in the Base Prospectus dated 7 October 2024 (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as supplemented by the supplement[s] dated [●] [and [●]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation] in order to obtain all relevant information. For the purposes of these Final Terms, "**Prospectus Regulation**" means Regulation (EU) 2017/1129. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin at https://live.euronext.com.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*]

[*When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1	**Issuer**:	[Klarna Bank AB (publ)]/[Klarna Holding AB (publ)]
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	(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/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [●]]] [Not Applicable]
3	**Specified Currency or Currencies**:	[●]
4	**Aggregate Nominal Amount**:	[●]
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	**Issue Price**:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] *(if applicable)*]
6	(i) **Specified Denomination(s)**:	[●] [●] (*N.B. Where multiple denominations above €100,000 or its equivalent in other currencies 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].")[2]
	(ii) **Calculation Amount**:	[●]
		(*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations*)
7	(i) **Issue Date**:	[●]
	(ii) **Interest Commencement Date**:	[[●]/Issue Date/Not Applicable]
8	**Maturity Date**:	[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9	**Interest Basis**:	[[●] per cent. Fixed Rate] [Reset Notes] [[●] month [EURIBOR/STIBOR/NIBOR/CIBOR] +/- [●] per cent. Floating Rate] [SONIA (Non Index) +/- [●] per cent. Floating Rate] [SONIA (Index) +/- [●] per cent. Floating Rate] [SOFR (Non Index) +/- [●] per cent. Floating Rate] [SOFR (Index) +/- [●] per cent. Floating Rate] [Zero Coupon]
10	**Redemption/Payment Basis**:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11	**Change of Interest Basis or Redemption/Payment Basis**:	[Not Applicable] [*Specify date of any change from one interest basis to another, cross-referring to paragraphs 14, 15 or 16 below.*]
12	**Call Option**:	[Issuer Call] [Not Applicable] [(see paragraph 18 below)]
13	(i) **Status of the Notes**:	[Senior Preferred – Condition 3(a) will apply/Senior Non-Preferred – Condition 3(b) will apply/Subordinated – Condition 3(c) will apply]
	(a) [Redemption upon occurrence of a MREL Disqualification Event and amounts payable on redemption thereof:	[Applicable – Condition 5(i) will apply/Not Applicable] *(If not applicable, delete the remaining sub-paragraph of this paragraph)* [If the Issuer elects to redeem the Notes following the occurrence of a MREL Disqualification Event pursuant to Condition 5(i), the Notes shall be redeemed in the amount of [●] per Calculation Amount]]

[2] Not applicable if Notes being issued are in registered form.

(b) [Redemption upon occurrence of Capital Event and amounts payable on redemption thereof:	[Applicable – Condition 5(h) will apply/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* [If the Issuer elects to redeem the Notes following the occurrence of a Capital Event pursuant to Condition 5(h), the Notes shall be redeemed in the amount of [●] per Calculation Amount] Partial Capital Exclusion: [Applicable/Not Applicable] (*N.B. Only relevant for Subordinated Notes*)]
(c) [Redemption for taxation reasons:	Condition 5(b) will apply Tax Event Call [Applicable – Condition 5(b)(A)(ii) will apply/Not Applicable]]
(d) Substitution or variation:	[Applicable – Condition 5(k) will apply/Not Applicable]
(e) Clean-Up Call Option:	[Applicable – Condition 5(l) will apply/Not Applicable] [The Clean-Up Call Minimum Percentage will be [75/*specify other*] per cent. of the principal amount outstanding of the Notes originally issued. The Clean-Up Call Option Amount will be in the amount of [●] per Calculation Amount]
[(ii)] **Date Board approval for issuance of Notes obtained:**	[●] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14 **Fixed Rate Note Provisions**: (Condition 4(a))	[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 Date(s):	[●] [and [●]] in each year, from and including [●], up to and including the Maturity Date *(N.B. This will need to be amended in the case of long or short coupons)*
(iii) Fixed Coupon Amount(s): *(Applicable to Notes in definitive form)*	[[●] per Calculation Amount]/[Not Applicable]
(iv) Broken Amount(s): *(Applicable to Notes in definitive form)*	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
(v) Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)]

	(vi) Determination Dates:	[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration* *N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
15	**Reset Note Provisions** (Condition 4(b))	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Initial Rate of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Initial Mid-Swap Rate:	[●] per cent./[Not Applicable]
	(iii) First Margin:	[+/-][●] per cent. per annum
	(iv) Subsequent Margin:	[[+/-][●] per cent. per annum]/[Not Applicable]
	(v) Interest Payment Date(s):	[●] [and [●]] in each year, from and including [●], up to and including the Maturity Date
	(vi) First Reset Date:	[●]
	(vii) Second Reset Date:	[●]/[Not Applicable]
	(viii) Subsequent Reset Date(s):	[●] [and [●]]/[Not Applicable]
	(ix) Reset Reference Rate:	[Mid-Swap Rate/Reference Bond/CMT Rate/Benchmark Gilt Rate] *(If Reference Bond or Benchmark Gilt Rate is specified as the applicable Reset Reference Rate, delete the remainder of this paragraph 15(ix))* [Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(x) Relevant Screen Page:	[●]/[Not Applicable]
	(xi) Mid-Swap Floating Leg Maturity:	[●]/[Not Applicable]
	(xii) First Reset Period Fallback:	[●]/[Not Applicable] (*Only relevant where the Reset Reference Rate is Benchmark Gilt*)
	(xiii) Initial Rate Final Fallback:	[Applicable/Not Applicable]
	- Initial Mid-Swap Rate:	[●] per cent. (*Only relevant where the Reset Reference Rate is Mid-Swap Rate*)
	- First Reset Period Fallback Yield:	[●] (*Only relevant where the Reset Reference Rate is not Mid-Swap Rate*)
	(xiv) Reset Period Maturity Rate Final Fallback:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraph of this paragraph*)
	- Reset Period Maturity Initial Mid-Swap Rate:	[●] per cent.
	(xv) Last Observable Rate Final Fallback:	[Applicable/Not Applicable]

	(xvi) Subsequent Reset Rate Previous Rate Final Fallback:	[Applicable/Not Applicable]
	(xvii) Subsequent Reset Rate Last Observable Rate Final Fallback:	[Applicable/Not Applicable]
	(xviii) Reset Reference Rate Conversion:	[Applicable/Not Applicable]
	(xix) Original Reset Reference Rate Payment Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
	(xx) Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)]
	(xxi) Determination Dates:	[[●] in each year]/[Not Applicable]
	(xxii) Business Centre(s):	[●]
	(xxiii) Relevant (Reset) Time:	[[●]/As per Condition 4(b)/Not Applicable] (*where Mid-Swap Rate is specified as the applicable Reset Reference Rate, Not Applicable can be selected*)
	(xxiv) Calculation Agent:	[●]
	(xxv) Benchmark Discontinuation – Independent Adviser:	[Applicable/Not Applicable]
16	**Floating Rate Note Provisions**: (Condition 4(c))	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(ii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
	(iii) Business Centre(s):	[●]
	(iv) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent):	[[●] shall be the Calculation Agent]/[Not Applicable]
	(vi) Screen Rate Determination:	
	- Reference Rate, Relevant Time and Relevant Financial Centre:	Reference Rate: [[●] month] [EURIBOR/STIBOR/NIBOR/CIBOR] [SONIA (Non Index)] [SONIA (Index)] [SOFR (Non Index)] [SOFR (Index)]

Relevant Time: [[●][in the Relevant Financial Centre]/As per Condition 4]

[Relevant Financial Centre: [Brussels/Stockholm/Oslo/Copenhagen/]]*(delete for SOFR (Non Index) or SOFR (Index) Floating Rate Notes*)

- Interest Determination Date(s): [The [●] London Banking Day prior to the end of each Interest Accrual Period]

  [First day of each Interest Period]

  [Second day on which T2 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]

  [[●] days prior to the start of each Interest Period]

  (*Specify the number of London Banking Days prior to the end of each Interest Accrual Period if SONIA, the second day on which T2 is open prior to the start of each Interest Period if EURIBOR, the second Stockholm business day prior to the start of each Interest Period if STIBOR, the second Oslo business day prior to the start of each Interest Period if NIBOR and the first day of each Interest Period if CIBOR*)

  [As per Condition 4(c)(ii)(V)] (*SOFR (Index) Floating Rate Notes only*)

- Relevant Screen Page: [●]

  (In the case of EURIBOR, if not Reuters Screen EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

  [Not Applicable] (*SOFR (Index) Floating Rate Notes only*)

- Relevant Fallback Screen Page: [●] (*SONIA (Index) only*) / [Not Applicable]

- Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]

  (*SONIA (Non Index) or SOFR (Non Index) Floating Rate Notes only*)

- Lag Look-back Period: [[●] [London Banking Days]/[U.S. Government Securities Business Days]/Not Applicable]

  (*SONIA (Non Index) or SOFR (Non Index) Floating Rate Notes only*)

- Observation Shift Period: [[●] [London Banking Days]/[U.S. Government Securities Business Days /Not Applicable]

		(*SONIA (Non Index) or SOFR (Non Index) Floating Rate Notes only*)
	- SONIA Compounded Index Observation Shift Period:	[5/[●] London Banking Days]/[Not Applicable] (*SONIA (Index) Floating Rate Notes only*)
	- p:	[As per Conditions][Not Applicable][●] (*SOFR (Index) Floating Rate Notes only*)
	- Lock-out date:	[●] (*SOFR (Non Index) Floating Rate Notes only*)
	(vii) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation] *(specify for each short or long interest period)*
	(viii) Margin(s):	[+/-][●] per cent. per annum
	(ix) Minimum Rate of Interest:	[●] per cent. per annum
	(x) Maximum Rate of Interest:	[●] per cent. per annum
	(xi) Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
	(xii) Benchmark Discontinuation – Independent Adviser:	[Applicable/Not Applicable]
	(xiii) Benchmark Discontinuation – ARRC SOFR:	[Applicable/Not Applicable]
17	**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) Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

18	**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(s):	[●] per Calculation Amount

	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(iv) Notice period (if other than as set out in the Conditions):	[●]
19	**Final Redemption Amount**:	[●] per Calculation Amount
20	**Early Redemption Amount**: Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default:	[●] per Calculation Amount
21	Notice Period for Condition 5(b) (*Early Redemption for Taxation Reasons*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]
22	[Notice Period for Condition 5(h) (*Subordinated Notes – Redemption Upon the Occurrence of a Capital Event*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]][*Only applicable to Subordinated Notes*)
23	[Notice Period for Condition 5(i) (– *Redemption upon occurrence of a MREL Disqualification Event*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]]
24	[Notice Period for Condition 5(k) (*Substitution or Variation*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]][*Only applicable where Condition 5(k) is specified as being applicable in paragraph 13(i)(d)*)]
25	[Notice Period for Condition 5(l) (*Clean-Up Call Option*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]][*Only applicable where Clean-up Call Option is specified as being applicable in paragraph 13(i)(e)*] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee)*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	**Form of Notes**:	
	(i) Form:	[**Bearer Notes:**

		[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Bearer Notes [on 45 days' notice given at any time/only upon an Exchange Event][3] [Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]][4] [**Registered Notes:** Registered Global Note]
	(ii) New Global Note:	[Yes/No]
27	Financial Centre(s):	[●]/[Not Applicable] (*Note that this item relates to the* date and place of *payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which items 15(xxii) and 16(iii) relate)*
28	Talons for future Coupons to be attached to Definitive Notes:	[Yes/No]
29	Third Party Information:	

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

Signed on behalf of the Issuer:

By: ....

Duly authorised

[3] The exchange upon notice/at any time 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].

[4] This option must 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].

PART B – OTHER INFORMATION

1 **LISTING AND ADMISSION TO TRADING**

(i) Listing:	Official List of Euronext Dublin
(ii) Admission to trading:	Application has been made for the Notes to be admitted to trading on the Euronext Dublin Regulated Market with effect from, or from about, [●]
(iii) Estimate of total expenses related to admission to trading:	[●]

2 **BENCHMARKS REGULATION** *(Floating Rate Notes and Reset Notes calculated by reference to a benchmark only)*

[Amounts payable under the Notes will be calculated by reference to [EURIBOR/STIBOR/NIBOR/CIBOR/SONIA/SOFR/[*in the case of Reset Notes, insert name of relevant benchmark*]] which is provided by [*legal name of the benchmark administrator*]. As at the date of this Final Terms, [*legal name of the benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011.

[As far as the Issuer is aware, [EURIBOR/STIBOR/NIBOR/CIBOR/SONIA/SOFR/[*in the case of Reset Notes, insert name of relevant benchmark*]][[does not fall within the scope of Regulation (EU) 2016/1011 by virtue of Article 2 of that regulation/the transitional provisions in Article 51 of Regulation (EU) 2016/1011 apply] such that [*legal name of the benchmark administrator*] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]]

3 **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)*].] [[*Insert the legal name of the relevant credit rating agency entity*] is established in the [EEA] and is registered under Regulation (EC) No. 1060/2009 (as amended).] [[*Insert the legal name of the relevant credit rating agency entity*] is not established in the [EEA] and is not registered under Regulation (EC) No. 1060/2009 (as amended).] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

[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.]

5 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i) Reasons for the offer:	[General corporate purposes][●] (*See "Use and Estimated Net Amounts of Proceeds" wording in the Base Prospectus – if reasons for the offer are different from general corporate purposes, will need to include those reasons here.*)
(ii) Estimated net proceeds:	[●]

6 [Fixed Rate Notes and Reset Notes only – YIELD

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.]

7 OPERATIONAL INFORMATION

(i) ISIN Code:	[●]
(ii) Common Code:	[●]
(iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. (together with the address of each such clearing system) and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(iv) Delivery:	Delivery [against/free of] payment
(v) Names and addresses of additional Transfer Agents and/or Paying Agent(s) (if any):	[●]/[None]
(vi) 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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then

	be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS *[include this text for Registered Notes which are to be held under the NSS]*]. 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.]

8 **DISTRIBUTION**

(i) Method of distribution:	[Syndicated/Non-syndicated]
(ii) If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii) Date of Subscription Agreement:	[●]
(iv) Stabilisation Manager(s) (if any):	[Not Applicable/*give name(s)*]
(v) If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
(vi) Whether TEFRA D rules are applicable or TEFRA rules are not applicable:	[TEFRA D/TEFRA not applicable]
(vii) Prohibition of Sales to EEA Retail Investors:	[Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified.)* [Applicable] *(If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
(viii) Prohibition of Sales to UK Retail Investors	[Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified.)* [Applicable] *(If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
(ix) Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable] [*If the Notes are offered to Institutional Investors and Accredited Investors in Singapore only, "Applicable" should be specified.* *If the Notes are also offered to investors other than Institutional Investors and Accredited Investors in Singapore, "Not Applicable" should be specified.* *However, parties should consider the Monetary Authority of Singapore's Notice on Business Conduct Requirements for Corporate Finance Advisers last revised on 21 June 2023 (as amended or modified from time to time) and the related due diligence*

requirements, and “Not Applicable” should only be specified if no corporate finance advice is given by the Manager or Dealer.]

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.

[**PROHIBITION OF SALES TO EEA 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**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) ("**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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO 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 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 (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**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 [MiFID II/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. [*Details of any negative target market to be included if applicable*]. 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.]

[UK MIFIR 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if*

applicable]. 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 the FCA Handbook Product Intervention and Product Governance Sourcebook 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 [MiFID II/Directive 2014/65/EU (as amended) ("**MiFID II**")]; ***EITHER*** [(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 (as defined below) suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. 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].]]

[UK MIFIR 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 retail clients, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); ***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 COBS, as applicable]]. [*Consider any negative target market*]. 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 the FCA Handbook Product Intervention and Product Governance Sourcebook 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 COBS, as applicable].]]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")** – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified 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).][5]

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION") OR REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "UK PROSPECTUS REGULATION") FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[Date]

[KLARNA BANK AB (publ)]/[KLARNA HOLDING AB (publ)]

Legal Entity Identifier (LEI): [549300O3HXYXXUHR0897]/[984500CCFABF562J8533]

Issue of
[Aggregate Nominal Amount of Tranche] [Title of Notes]
under the
EUR 3,000,000,000 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 either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.][6]

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated 7 October 2024 (the "**Base Prospectus**") [as supplemented by the supplement[s] dated [●] [and [●]]]. Full information on [Klarna Bank AB (publ)]/[Klarna Holding AB (publ)] (the "**Issuer**") and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin at https://live.euronext.com.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the [Base Prospectus]/[[Base Prospectus] dated [*original date*] which are incorporated by reference in the Base Prospectus].

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.*]

---

5 Legend to be included on front of the Pricing Supplement if the Issuer has re-classified the Notes as "capital markets products other than prescribed capital markets products" and "Specified Investment Products" pursuant to Section 309B of the SFA prior to the launch of the offer and the Notes are to be offered in Singapore. 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.

6 Do not include if the "Prohibition of Sales to EEA and UK Retail Investors" legend is included (because the Notes potentially constitute "packaged" products and no key information document will be prepared) and the related selling restriction is specified to be "Applicable".

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1	**Issuer**:	[Klarna Bank AB (publ)]/[Klarna Holding AB (publ)]
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	(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/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [●]]] [Not Applicable]
3	**Specified Currency or Currencies**:	[●]
4	**Aggregate Nominal Amount**:	[●]
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	**Issue Price**:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] *(if applicable)*]
6	(i) **Specified Denomination(s)**:	[●] [●] (*N.B. Where multiple denominations above €100,000 or its equivalent in other currencies 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]"*)[7]
	(ii) **Calculation Amount**:	[●] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations*)
7	(i) **Issue Date**:	[●]
	(ii) **Interest Commencement Date**:	[[●]/Issue Date/Not Applicable]
8	**Maturity Date**:	[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9	**Interest Basis**:	[[●] per cent. Fixed Rate] [Reset Notes] [[*specify reference rate*]+/- [●] per cent. Floating Rate] [SONIA (Non Index) +/- [●] per cent. Floating Rate] [SONIA (Index) +/- [●] per cent. Floating Rate]

[7] Not applicable if Notes being issued are in registered form.

		[SOFR (Non Index) +/- [●] per cent. Floating Rate] [SOFR (Index) +/- [●] per cent. Floating Rate] [Zero Coupon] [*specify other*]
10	**Redemption/Payment Basis**:	[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount]/[*specify other*]
11	**Change of Interest Basis or Redemption/Payment Basis**:	[[●]/Not Applicable]
12	**Call Option**:	[Issuer Call] [Not Applicable] [(see paragraph 18 below)]
13	(i) **Status of the Notes**:	[Senior Preferred – Condition 3(a) will apply/Senior Non-Preferred – Condition 3(b) will apply/Subordinated – Condition 3(c) will apply]
	(a) [Redemption upon occurrence of a MREL Disqualification Event and amounts payable on redemption thereof:	[Applicable – Condition 5(i) will apply/Not Applicable] *(If not applicable, delete the remaining sub-paragraph of this paragraph)* [If the Issuer elects to redeem the Notes following the occurrence of a MREL Disqualification Event pursuant to Condition 5(i), the Notes shall be redeemed in the amount of [●] per Calculation Amount/*specify other/*see Appendix]]
	(b) [Redemption upon occurrence of Capital Event and amounts payable on redemption thereof:	[Applicable – Condition 5(h) will apply/Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* [If the Issuer elects to redeem the Notes following the occurrence of a Capital Event pursuant to Condition 5(h), the Notes shall be redeemed in the amount of [●] per Calculation Amount/*specify other*/see Appendix] Partial Capital Exclusion: [Applicable/Not Applicable] (*N.B. Only relevant for Subordinated Notes*)]
	(c) [Redemption for taxation reasons:	Condition 5(b) will apply Tax Event Call [Applicable – Condition 5(b)(A)(ii) will apply/Not Applicable]]
	(d) Substitution or variation:	[Applicable – Condition 5(k) will apply/Not Applicable]
	(e) Clean-Up Call Option:	[Applicable – Condition 5(l) will apply/Not Applicable] [The Clean-Up Call Minimum Percentage will be [75/*specify other*] per cent. of the principal amount outstanding of the Notes originally issued. The Clean-Up Call Option Amount will be in the amount of [●] per Calculation Amount]

	[(ii)] **Date Board approval for issuance of Notes obtained**:	[●] *[(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	**Fixed Rate Note Provisions**: (Condition 4(a))	[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 Date(s):	[●] [and [●]] in each year, from and including [●], up to and including the Maturity Date *(N.B. This will need to be amended in the case of long or short coupons)*
	(iii) Fixed Coupon Amount(s): *(Applicable to Notes in definitive form)*	[[●] per Calculation Amount]/[Not Applicable]
	(iv) Broken Amount(s): *(Applicable to Notes in definitive form)*	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
	(v) Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [*specify other*]
	(vi) Determination Dates:	[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration* *N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*give details*]
15	**Reset Note Provisions** (Condition 4(b))	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Initial Rate of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Initial Mid-Swap Rate:	[●] per cent./[Not Applicable]
	(iii) First Margin:	[+/-][●] per cent. per annum
	(iv) Subsequent Margin:	[[+/-][●] per cent. per annum]/[Not Applicable]
	(v) Interest Payment Date(s):	[●] [and [●]] in each year, from and including [●], up to and including the Maturity Date

(vi) First Reset Date:	[●]
(vii) Second Reset Date:	[●]/[Not Applicable]
(viii) Subsequent Reset Date(s):	[●] [and [●]]/[Not Applicable]
(ix) Reset Reference Rate:	[Mid-Swap Rate/Reference Bond/CMT Rate/Benchmark Gilt Rate] (*If Reference Bond or Benchmark Gilt Rate is specified as the applicable Reset Reference Rate, delete the remainder of this paragraph 15(ix)*) [Single Mid-Swap Rate/Mean Mid-Swap Rate]
(x) Relevant Screen Page:	[●]/[Not Applicable]
(xi) Mid-Swap Floating Leg Maturity:	[●]/[Not Applicable]
(xii) First Reset Period Fallback:	[●]/[Not Applicable] (*Only relevant where the Reset Reference Rate is Benchmark Gilt*)
(xiii) Initial Rate Final Fallback:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraph of this paragraph*)
- Initial Mid-Swap Rate:	[●] per cent. (*Only relevant where the Reset Reference Rate is Mid-Swap Rate*)
- First Reset Period Fallback Yield:	[●] (*Only relevant where the Reset Reference Rate is not Mid-Swap Rate*)
(xiv) Reset Period Maturity Rate Final Fallback:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraph of this paragraph*)
- Reset Period Maturity Initial Mid-Swap Rate:	[●] per cent.
(xv) Last Observable Rate Final Fallback:	[Applicable/Not Applicable]
(xvi) Subsequent Reset Rate Previous Rate Final Fallback:	[Applicable/Not Applicable]
(xvii) Subsequent Reset Rate Last Observable Rate Final Fallback:	[Applicable/Not Applicable]
(xviii) Reset Reference Rate Conversion:	[Applicable/Not Applicable]
(xix) Original Reset Reference Rate Payment Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
(xx) Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [*specify other*]
(xxi) Determination Dates:	[[●] in each year]/[Not Applicable]
(xxii) Business Centre(s):	[●]
(xxiii) Relevant (Reset) Time:	[[●]/As per Condition 4(b)/Not Applicable] (*where Mid-Swap Rate is specified as the applicable Reset Reference Rate, Not Applicable can be selected*)

	(xxiv) Calculation Agent:	[●]
	(xxv) Other terms relating to the method of calculating interest for Reset Notes:	[None/*give details*]
	(xxvi) Benchmark Discontinuation – Independent Adviser:	[Applicable/Not Applicable]
16	**Floating Rate Note Provisions**: (Condition 4(c))	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(ii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
	(iii) Business Centre(s):	[●]
	(iv) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/*specify other*]
	(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent):	[[●] shall be the Calculation Agent]/[Not Applicable]
	(vi) Screen Rate Determination:	
	- Reference Rate, Relevant Time and Relevant Financial Centre:	Reference Rate: [[●] month] [EURIBOR/STIBOR/NIBOR/CIBOR/*specify other*] [SONIA (Non Index)] [SONIA (Index)] [SOFR (Non Index)] [SOFR (Index)] Relevant Time: [[●] in the Relevant Financial Centre]/As per Condition 4(c)(ii)] Relevant Financial Centre: [Brussels/Stockholm/Oslo/Copenhagen/ *specify other*](*delete for SOFR (Index) or SOFR (Non Index) Floating Rate Notes*)
	- Interest Determination Date(s):	[The [●] London Banking Day prior to the end of each Interest Accrual Period] [First day of each Interest Period] [Second day on which T2 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]

	[[●] days prior to the start of each Interest Period] [*specify other*] (*Specify the number of London Banking Days prior to the end of each Interest Accrual Period if SONIA, the second day on which T2 is open prior to the start of each Interest Period if EURIBOR, the second Stockholm business day prior to the start of each Interest Period if STIBOR, the second Oslo business day prior to the start of each Interest Period if NIBOR and the first day of each Interest Period if CIBOR*) [As per Condition 4(c)(ii)(V)] (*SOFR (Index) Floating Rate Notes only*)
- Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters Screen EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)* [Not Applicable] (*SOFR (Index) Floating Rate Notes only*)
- Relevant Fallback Screen Page:	[●] (*SONIA (Index) only*) / [Not Applicable]
- Observation Method:	[Lag/Lock-out/Observation Shift/Not Applicable]
- Lag Look-back Period:	[[●] [London Banking Days]/[U.S. Government Securities Business Days]/Not Applicable]
- Observation Shift Period:	[[●] [London Banking Days]/[U.S. Government Securities Business Days]/Not Applicable]
- SONIA Compounded Index Observation Shift Period:	[5/[●] London Banking Days]/[Not Applicable]
- p:	[As per Conditions][Not Applicable] [●] (*SOFR (Index) Floating Rate Notes only*)
- Lock-out date:	[●] (*SOFR (Non Index) Floating Rate Notes only*)
(vii) 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)*
(viii) Margin(s):	[+/-][●] per cent. per annum
(ix) Minimum Rate of Interest:	[●] per cent. per annum
(x) Maximum Rate of Interest:	[●] per cent. per annum
(xi) Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

		[*specify other*]
	(xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
	(xiii) Benchmark Discontinuation – Independent Adviser:	[Applicable/Not Applicable]
	(xiv) Benchmark Discontinuation – ARRC SOFR:	[Applicable/Not Applicable]
17	**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:	[●]
	(iv) Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365] [*specify other*]

PROVISIONS RELATING TO REDEMPTION

18	**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(s) and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(iv) Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee)*

19	**Final Redemption Amount**:	[[●] per Calculation Amount/*specify other*/see Appendix]
20	**Early Redemption Amount**:	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 5(d)):	[[●] per Calculation Amount/*specify other*/see Appendix]
21	Notice Period for Condition 5(b) (*Early Redemption for Taxation Reasons*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]
22	[Notice Period for Condition 5(h) (*Subordinated Notes – Redemption Upon the Occurrence of a Capital Event*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]][*Only applicable to Subordinated Notes*)
23	[Notice Period for Condition 5(i) (*Redemption upon occurrence of a MREL Disqualification Event*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]]
24	[Notice Period for Condition 5(k) (*Substitution or Variation*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]][*Only applicable where Condition 5(k) is specified as being applicable in paragraph 13(i)(d)*)]
25	[Notice Period for Condition 5(l) (*Clean-Up Call Option*) (if other than as set out in the Conditions):	Minimum period: [●] Maximum period: [●]][*Only applicable where Clean-up Call Option is specified as being applicable in paragraph 13(i)(e)*] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee)*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	**Form of Notes**:	
	(i) Form:	[**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Bearer

		Notes [on 45 days' notice given at any time/only upon an Exchange Event][8] [Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]][9] [**Registered Notes:**
	(ii) New Global Note:	[Yes/No]
27	Financial Centre(s) or other special provisions relating to Payment Days:	[●]/[Not Applicable] (*Note that this item relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which items 15(xxii) and 16(iii) relate)*
28	Talons for future Coupons to be attached to Definitive Notes:	[Yes/No]
29	Other final terms:	[Not Applicable/*give details*]
30	Third Party Information:	

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

Signed on behalf of the Issuer:

By:..

Duly authorised

[8] The exchange upon notice at any time 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].

[9] This option must 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].

PART B – OTHER INFORMATION

1 **LISTING AND ADMISSION TO TRADING**

(i) Listing:	[[●]/None]
(ii) Admission to trading:	[Application has been made for the Notes to be admitted to trading on [●] with effect from, or from about, [●]]/Not Applicable]
(iii) Estimate of total expenses related to admission to trading:	[●]

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)*].]

3 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[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 **OPERATIONAL INFORMATION**

(i) ISIN Code:	[●]
(ii) Common Code:	[●]
(iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. (together with the address of each such clearing system) and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(iv) Settlement procedures:	*[Specify whether customary medium term note/ eurobond/other settlement and payment procedures apply]*
(v) Delivery:	Delivery [against/free of] payment
(vi) Names and addresses of additional Transfer Agents and/or Paying Agent(s):	[●]
(vii) 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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition

will depend upon 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[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS *[include this text for Registered Notes which are to be held under the NSS]*]. 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.]

5 **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Date of Subscription Agreement:	[●]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name(s)*]
(v)	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
(vi)	Whether TEFRA D rules are applicable or TEFRA rules are not applicable:	[TEFRA D/TEFRA not applicable]
(vii)	Additional selling restrictions:	[Not Applicable/*give details*]
(viii)	Prohibition of Sales to EEA Retail Investors:	[Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified.)* [Applicable] (*If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(ix)	Prohibition of Sales to UK Retail Investors:	[Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified*). [Applicable] (*If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(x)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable] [*If the Notes are offered to Institutional Investors and Accredited Investors in Singapore only, "Applicable" should be specified.* *If the Notes are also offered to investors other than Institutional Investors and Accredited Investors in Singapore, "Not Applicable" should be specified.*

However, parties should consider the Monetary Authority of Singapore's Notice on Business Conduct Requirements for Corporate Finance Advisers last revised on 21 June 2023 (as amended or modified from time to time) and the related due diligence requirements, and "Not Applicable" should only be specified if no corporate finance advice is given by the Manager or Dealer.]

6 **REASONS FOR THE OFFER**

Reasons for the offer: [General corporate purposes][●]

(*See "Use and Estimated Net Amounts of Proceeds" wording in the Base Prospectus – if reasons for the offer are different from general corporate purposes, will need to include those reasons here.*)

KLARNA HOLDING

Overview

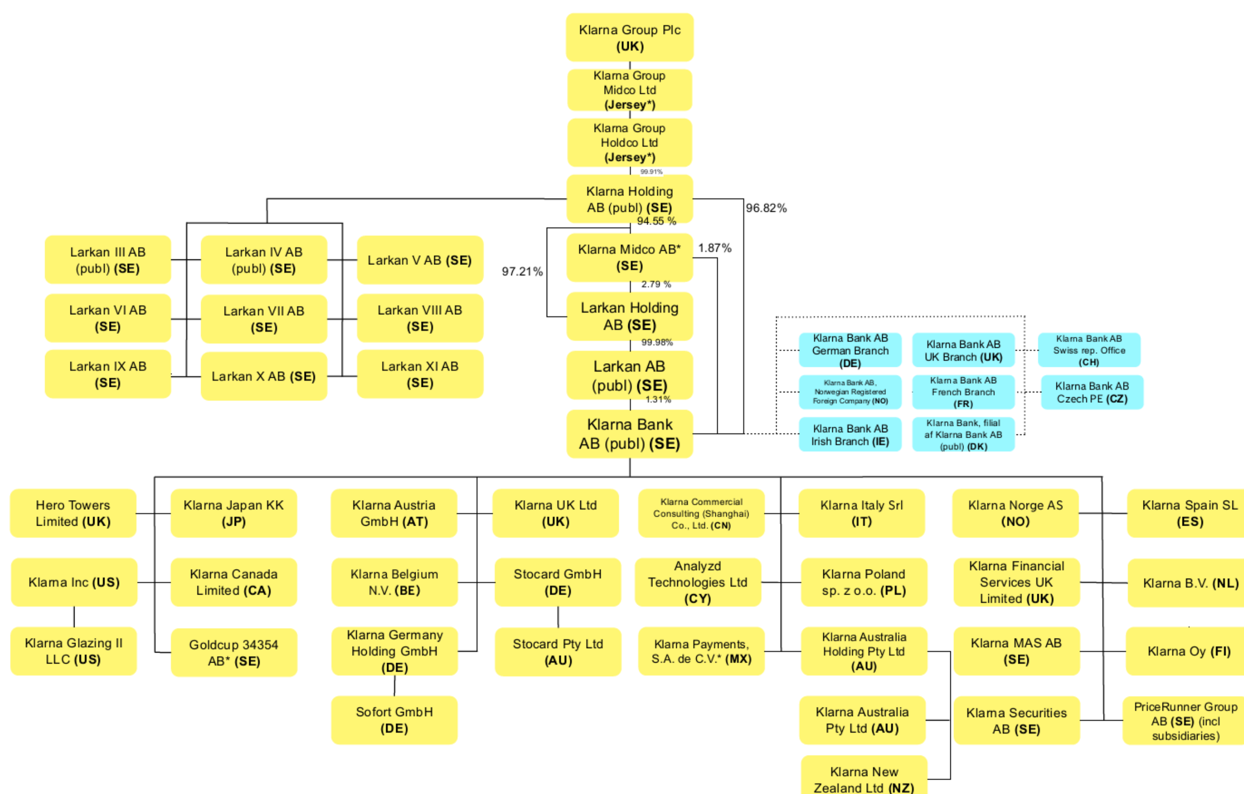
Klarna Holding's legal name is Klarna Holding AB (publ) with Swedish Reg. No. 556676-2356 and Legal Entity Identifier Code 984500CCFABF562J8533. The registered office of Klarna Holding is located at Sveavägen 46, SE-111 34 Stockholm, Sweden. Klarna Holding was incorporated in Sweden on 31 January 2005 and registered with the Swedish Companies Registration Office (*Sw: Bolagsverket*) on 11 February 2005. Klarna Holding is a public limited liability company (*Sw: aktiebolag*).

Pursuant to clause 3 of the Articles of Association of Klarna Holding, the business purpose of Klarna Holding is to own and manage assets and promote the Group's business by offering financing, administrative services, including guarantees on the Group's behalf, issue guarantees and other associated activities. Klarna Holding shall itself or through subsidiaries also engage in management of invoicing and the sales ledger, provide collection services, credit reports and activities compatible therewith.

On 16 June 2023, Standard & Poor's assigned Klarna Holding a credit rating of B (short term) and BB+ (long term).

Legal structure of the Group

Klarna Holding is part of a corporate group for which Klarna Group plc (UK domiciled) is the ultimate parent. The primary purpose of Klarna Holding is to directly or indirectly own the shares in Klarna Bank. The Group operates through Klarna Bank and its direct or indirect subsidiaries. The Group structure as of 23 May 2024 is illustrated in the organisational chart below.



All shareholdings and voting rights are 100 per cent. if not indicated otherwise. Approximately 5.5 per cent. in Klarna Midco AB is held by various shareholders. Less than 0.1 per cent. in Larkan AB is held by various shareholders. Less than 0.1 per cent. in Klarna Payments, S.A. d C.V. is held by PriceRunner International AB.

*Klarna Group Midco Ltd and Klarna Group Holdco Ltd are Jersey incorporated entities that are UK tax resident.

Board of Directors

The Board of Directors of Klarna Holding consists of eight ordinary members. The table below sets out the name and position of each board member as of the date of this Base Prospectus.

Name	Year of birth	Board member since	Position	Independent /dependent
Michael Moritz	1954	2010	Chair	Dependent
Sebastian Siemiatkowski	1981	2005	Member, Managing Director	Dependent
Sarah Smith	1959	2020	Member	Independent
Lise Kaae	1969	2020	Member	Dependent
Mikael Walther	1981	2016	Member	Dependent
Omid Kordestani	1963	2020	Member	Independent
Roger W. Ferguson Jr.	1951	2021	Member	Independent
Andrew Reed	1990	2024	Member	Dependent

Please see "*Management – Board of Directors*" below for a further description of each board member.

Additional information on the Board of Directors

Business address

The office address of the Board of Directors is the registered office of Klarna Bank, at Sveavägen 46, SE-111 34 Stockholm, Sweden.

Conflicts of interest

To the best of Klarna Holding's knowledge, no conflicts of interest exist between the private interests and other duties of the board members or the Senior Management Team and their duties towards Klarna Holding.

Shares and shareholders

Under its current Articles of Association, Klarna Holding's share capital shall be no less than SEK 2,000,000 and no more than SEK 8,000,000, divided into no less than 20,000,000 shares and no more than 80,000,000 shares. Klarna Holding has only one class of shares. As of 30 June 2024, Klarna Holding's registered share capital was SEK 3,033,490.9, represented by 30,334,909 shares. Each share has a quota value of SEK 0.1.

The table below sets out the names and shareholdings of the largest shareholders in Klarna Holding as of 23 May 2024.

Shareholder	percentage of share capital and votes
Klarna Group Holdco Limited	99.91
Total	**99.91**

Auditors

At the 2023 and 2024 annual general meetings, Ernst & Young AB was re-elected as auditor. In 2024 (for the period until the end of the Annual General Meeting 2025), Ernst & Young AB appointed Hamish Mabon as auditor-in-charge of Klarna Holding. Hamish Mabon is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden.

The registered office address of Ernst & Young AB is Hamngatan 26, SE-111 47 Stockholm, Sweden.

KLARNA BANK

Overview

Klarna Bank's legal and commercial name is Klarna Bank AB (publ) with Swedish Reg. No. 556737-0431 and Legal Entity Identifier Code 549300O3HXYXXUHR0897. The registered office of Klarna Bank is located at Sveavägen 46, SE-111 34 Stockholm, Sweden. Klarna Bank was incorporated in Sweden on 21 August 2007 and registered with the Swedish Companies Registration Office on 5 September 2007. Klarna Bank is a joint-stock banking company (*Sw: publikt bankaktiebolag*) and is under the supervision of the Swedish Financial Supervisory Authority (*Sw: Finansinspektionen*).

Pursuant to clause 3 of the Articles of Association of Klarna Bank, the business purpose of Klarna Bank is (a) such activities as permitted by Chapter 1, Section 3 of The Banking and Finance Business Act (2004:297) and (b) financial and other activities that are related to such activities as permitted under (a) above.

Regulatory history of Klarna Bank

Klarna was founded in 2005 in Sweden, under the name Kreditor Finans AB and on 26 May 2009, it was granted a licence as a credit market company (*Sw: kreditmarknadsbolag*) to conduct financing business under the Swedish Banking and Financing Business Act (lag (2004:297) *om bank- och finansieringsrörelse*), and on 29 September 2009 Klarna changed its name to Klarna Finans AB, and, subsequently, on 17 March 2010 to Klarna AB. On 19 June 2017, Klarna AB was granted a licence to conduct banking business. In connection with this, Klarna changed its name from Klarna AB to Klarna Bank AB.

Main activities

The Group is a global payment provider, active across Europe and North America, and present also in Australia and New Zealand as well as a fully licensed bank. Its business primarily comprises the providing of payment solutions and consumer lending products designed for both online and in-store use. The purpose of these solutions and products is to make commerce simpler and safer for both merchants and consumers. The Group's customers are both the merchants that are providing the Group's payments services, and the consumers that are shopping with these merchants. The Group's payment services offering is complementary as a product offering and in terms of the customers served. Its credit products, for example, generate revenue from both the merchants and the consumers.

The Group is active on a number of international markets, having passported its banking licence from the Swedish FSA to various European markets. In addition, the Group is active in the U.S., Australia and New Zealand.

An important driver of development of the Group's business is the secular shift towards the digitisation of the economy, including the growth of e-commerce. Other factors include the general economic growth, the evolution of disposable incomes and unemployment. There are a number of competitors that provide similar products in the countries where the Group operates. These competitors are either active in the provision of checkout methods, in the supply of credit at checkout, or both. They can broadly be divided into two groups: technology-driven companies and traditional finance companies. Lately, the general interest in offering buy now pay later services has increased which has led to market consolidations through global strategic acquisitions and new/competing product offerings from established technology-driven companies.

The Group's revenues are generated from both merchants and consumers. The Group is active in 26 markets with approximately 85 million active Klarna consumers and the Group continues its growth in global retail partnerships with more than 575,000 retail partners and employs approximately 3,800 employees as at 30 June 2024. In 2023, the Group generated a gross merchandise volume of SEK 980,892 million and revenues of SEK 23,504 million with a total net operating income of SEK 20,361 million.

On 27 April 2023, S&P assigned Klarna Bank a credit rating of A-3 (short term) and BBB- (long term).

Business operations

The Group connects consumers and merchants to deliver a reliable commercial experience. The Group specialises in payments, factoring, and consumer credits with low order values and short duration. Most purchases are made online, but the Group also has a presence through in-store channels. All of the Group's credit services are associated with specific purchases of goods and services. While the Group’s merchants operate in various sectors, most are in the retail industry. With a single integration it enables retailers to sell to any market it is active in.

The Group has developed a complementary product offering aimed at reducing friction for consumers purchasing online, which in turn adds value for merchants by increasing consumer acquisition, purchase conversion, average order value, level of sales and overall consumer experience. The merchant offering currently consists of five main products; Klarna Checkout (“**KCO**”), Klarna Payments (“**KP**”), Klarna In-store, Klarna In-app and Klarna’s media offering.

The following table sets forth commission income for each of the Bank Group’s product categories for the periods indicated:

Commission income split by product category	For the year ended 31 December 2023	For the year ended 31 December 2022
	(SEK in millions)	
Retailer	14,023	11,110
Consumer	3,641	2,485
Other	162	119
Total	**17,826**	**13,714**

Klarna Checkout

Klarna Checkout (KCO) manages the entire checkout process for a merchant, combining payment methods with additional checkout features, such as address collection and shipping options. It is a checkout solution aimed at facilitating payments by the most popular methods in each market, including the Group’s own invoice and account products as well as through third party payment methods, such as debit and credit cards, and direct banking. The Group enters into a contract with the respective merchant for the provision of KCO. Under this agreement, the Group agrees to provide payment methods requested by consumers. Merchants pay the Group for the provision of KCO, as well as the assumption of fraud and credit risk where the Group’s credit products are used.

Divestment Announcement

On 24 June 2024, the Group announced the divestment of KCO. The buyers, a consortium of investors, will assume ownership of KCO on 1 October 2024, subject to certain closing conditions. Both parties will continue to work together under a distribution partner agreement, where the Group’s payment methods will continue to be offered in the checkout.

Klarna Payments

KP offers the merchant a selection of the Group’s payment options through an integrated checkout widget. KP is not a complete checkout solution for the merchant (as is KCO). However, the presentation of the Group’s services are owned, controlled and optimised by the Group.

Klarna In-store

Klarna In-store covers a variety of integration methods designed for physical stores, bringing the same ease of use and payment flexibility for both consumers and merchants in the bricks and mortar environment.

Klarna In-app

Klarna In-app mobile SDK allows merchants to natively integrate the Group's products into their mobile applications. This means that merchants can add services like Klarna Payments to their app and let customers pay with the Group's payment methods with improved ease and speed.

Klarna media offering

Klarna's media offering includes targeted Ads that drive engagement, Search features that connect brands with shoppers actively looking for their products, and an Affiliate program that provides ongoing content opportunities which are integrated into the Klarna shopping experience.

Other

Besides the above, the Group also offers merchants various tools (for example, Merchant Insights), marketing services (for example, virtual shopping) and support.

At the beginning of 2018, the Group launched, and signed the first customer to, Klarna Open Banking. The Group offers the payment services (i) payment initiation and (ii) account information services to corporate and private users through its Klarna Open Banking offering. However, Klarna Open Banking is not directly connected to Klarna's core merchant offering. Klarna Open Banking is primarily an offering to corporate customers to enable bank connectivity for their users through publicly available bank application programming interfaces (APIs) (in compliance with the requirements under the Payment Services (PSD2) Directive (EU) 2015/2366). Klarna Open Banking is currently available in Austria, Belgium, Switzerland, Germany, Denmark, Estonia, Spain, Finland, France, Great Britain, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Portugal, Mexico, Poland, Republic of Ireland, Sweden, and the U.S.

Consumer Products

The Group's consumer products can be sub-divided into the following:

Pay Now

Pay Now is the Group's payment method for instantly settling a purchase by drawing funds directly from the consumer's bank account. The consumer authorises the payment either via BankID or internet banking token, depending on the payment method and market. Merchants pay the Group for facilitating the payments from the consumers.

Pay in x (days)

The Group's invoice (or card backed) product (Pay in x) offers the consumer a short, fixed period of time to settle their invoice/debt. Following product changes in 2021, the period is now 30 days across all markets.

Consumers are credit assessed by the Group using both internal and external data. A positive credit decision allows the respective consumer to shop at a merchant connected to the Group while simultaneously receiving a 30 days' credit term to pay for their goods or services. The Group mainly, but not always, conducts factoring by acquiring the purchase price claim from the merchant as well as the terms agreed between the merchant and the consumer. Such services enable merchants to safely offer post-purchase payments in an online environment. Merchants, who are paid by the Group irrespective of whether the consumer pays or not, pay the Group for assuming the fraud and credit risk, whilst consumers in some markets pay the Group late fees and interest in the event of delayed payment.

Instalments

The Group’s interest free instalment product offers the consumer a short term instalment plan with no interest over a period of up to 60 days or six weeks. Payments are automatically withdrawn from the consumer's chosen settlement method on the applicable due dates. Consumers are credit assessed by the Group using both internal and external data. Similarly to the “Pay in x” product, merchants pay the Group for assuming the fraud and credit risk, whilst consumers pay the Group for financing (for example, administration fees and interest) and deferred payments.

Financing

The Group’s account product offers the consumer the ability to settle their payment in either fixed instalments or flexible, discretionary amounts (subject to a minimum proportion of the outstanding amount each month).

The Group extends credit to the respective customer in accordance with a personalised credit agreement. This enables consumers to finance purchases over a period of time, which is a key benefit when acquiring goods and services. The credit may either be interest bearing or interest free. As with the “Pay in x” product, merchants pay the Group for assuming the fraud and credit risk, whilst consumers pay the Group for financing (for example, administration fees and interest) and deferred payments.

Klarna Card

The Group launched the Klarna Card for consumers in Sweden (2018), Germany (2019), the UK (2022) and most recently the US (2022). Klarna Card is a physical card which allows consumers to use the Group’s debit- and credit products in stores and online. With Klarna Card, consumers can shop for products and pay up to 30 days later. Consumers pay the Group a credit card fee for using the Klarna Card.

Klarna App

The Klarna mobile application (Klarna App) is a shopping service for consumers. The application provides consumers with features including personalised and curated content and tools to help them take control of their personal finances. In 19 markets, the Klarna application allows consumers to pay with the Group’s payment methods at any online merchant no matter if the merchant is integrated with the Group or not. This is done through issuing a virtual card which is used in the merchant’s checkout. Merchants pay the Group a fee for facilitating online payments.

Non Klarna

The Group also processes so-called “Non Klarna” purchases, for example, external direct banking where the consumer authorises the settlement using their internet banking token or card purchases through the major card schemes, such as Visa, MasterCard and American Express.

Klarna Balance

Klarna Balance allows customers to store money in a Klarna ‘account’, adding money directly from their bank account, receiving cashback rewards and receive refunds from returned items. It can be used as a real-time debit method for payments at integrated merchants, everywhere through the app and card, and used to settle debts in the Klarna app.

Deposits

The deposit product allows customers to invest their money into savings accounts with the Group for a flexible or fixed term length. During that term length the customer can earn variable interest rates on the balance on their savings account.

Business Volumes

Originated product volumes and number of transactions for the years 2017 to 2023 (on an annual basis) as well as for the first half of 2023 and 2024 and last twelve months ending 30 June 2024 are summarised in the table below (rounded figures)[10]:

Year	Originated Pay in x days, Pay Later and Financing volumes (SEK bn)	Total transaction volumes (SEK bn)	Balance per year end (SEK billion)
2017	87	180	14
2018	129	252	20
2019	183	333	30
2020	288	484	42
2021	452	689	62
2022	596	837	74
2023	746	981	86
H1 2023	335	449	77
H1 2024 LTM	829	1,055	90
H1 2024	418	523	90

Key Geographic Markets and Competition

The Group's key geographic markets are Sweden, Germany, the UK and the US in terms of volume and revenue.

The following table sets forth Klarna Bank's total net operating income less net result from financial transactions by geography for the periods indicated:

Geographical breakdown	For the year ended 31 December 2023	For the year ended 31 December 2022
	(SEK in millions)	
Germany	5,736	4,974
United States	6,034	4,842
Sweden	2,105	2,236
United Kingdom	2,616	2,081
Other countries	4,021	3,459
Total net operating income less net result from financial transactions[1]	**20,512**	**17,592**

(1) Net result from financial transactions is excluded from the income analysis since it is not applicable to a specific geography or income category.

Sweden

The Group has a strong position in the Swedish market and had by the end of 2023 over 6 million consumers. The Group competes against most payment providers including Swish, PayPal and Trustly as well as small loan providers such as Collector and Qliro. For the six month period ended 30 June 2024, the share of the Group's consolidated revenue from the market in Sweden was 11 per cent. compared to 13 per cent. for the six month period ended 30 June 2023 and 14 per cent. for the six month period ended 30 June 2022.

Germany

[10] Information extracted from internal unaudited management accounts.

Germany is one of the Group's most established markets following market entry in 2010 and the acquisition of Sofort in 2013. The Group's primary competitors include Divido, RatePay, Riverty brands and Cashper, as well as global payments companies such as PayPal. The Group's primary competitors for banking products are Unzer (white label) and N26. For the six month period ended 30 June 2024, the share of the Group's consolidated revenue from the market in Germany was 28 per cent. compared to 29 per cent. for the six month period ended 30 June 2023 and 30 per cent. for the six month period ended 30 June 2022.

United Kingdom

The Group entered the UK market in 2014. The Group's primary competitors in the UK include ClearPay (Block), LayBuy, Zilch and PayPal. For the six month period ended 30 June 2024, the share of the Group's consolidated revenue from the U.K. market was 11 per cent. compared to 12 per cent. for the six month period ended 30 June 2023 and 11 per cent. for the six month period ended 30 June 2022.

United States of America

The Group launched in the U.S. in 2015 and has scaled significantly becoming the Group's biggest market, in terms of net operating income, by the end of 2023. The Group's primary competitors in the U.S. include AfterPay (Block), Affirm, PayPal, Sezzle and Zip. For the six month period ended 30 June 2024, the share of the Group's consolidated revenue from the U.S. market was 29 per cent. compared to 26 per cent. for the six month period ended 30 June 2023 and 26 per cent. for the six month period ended 30 June 2022.

Relevant legislation

Klarna Bank is a public joint-stock banking company regulated by the Swedish Companies Act (*Sw: aktiebolagslagen (2005:551)*), the Swedish Banking and Financing Business Act and its Articles of Association. As a banking company, Klarna Bank is subject to the supervision of the Swedish FSA and regulated by, *inter alia*, the Swedish Deposit Insurance Act (*Sw: lag (1995:1571) om insättningsgaranti*) and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (*Sw: lag (1995:1559) om årsredovisning i kreditinstitut och värdepappersbolag*) as well as regulations and general guidelines issued by the Swedish FSA and Guidelines issued by the European Banking Authority. See also the section entitled "*Certain Regulatory Considerations*" for a brief description of certain regulations governing the Group.

Capital Adequacy

The Swedish FSA takes formal decisions under the Pillar 2 requirement, which means that restrictions to the maximum distributable amount are triggered should an institution breach its combined buffer requirement. Furthermore, the Swedish FSA provides guidance (Pillar 2 guidance) as to how much capital institutions are recommended to hold in addition to their Pillar 2 requirement to mitigate future financial stress. In addition, the Swedish FSA decides on leverage ratio guidance in accordance with the Pillar 2 framework to be met on top of the leverage ratio requirement. The leverage ratio requirement and guidance are in parallel to the risk-based capital requirement and guidance. Requirements and guidance in accordance with the Pillar 2 for Klarna Bank are determined through the Supervisory review and evaluation process ("**SREP**"), which applies to all banks.

Funding

The following table sets forth the Group's sources of funding at 30 June 2024:

Sources of funding	Per cent.	SEK million
Fixed-term deposits	74	82,780
Overnight deposits	20	22,161
Deposits total	**94**	**104,942**
Other sources of funding	6	6,248

Total	100	111,189
- of which in EUR	86	95,366
- of which in SEK	12	13,816
- of which in other currencies	2	2008

Liquidity

The following table sets forth the Group's liquidity reserve as at 30 June 2024:

Assets	Per cent.	SEK
Central Bank[(1)]	74.0	34,561,451,742
Supranational	6.9	3,236,480,563
Municipalities	13.5	6,301,111,292
Covered	0.7	350,000,000
Government	0.2	113,586,000
Commercial banks	4.5	2,120,192,673
Total	**100**	**46,682,822,270**

(1) Central bank means ECB and the Riksbank.

Legal Proceedings

The Group is involved from time to time in various legal proceedings in the ordinary course of business. The Group actively manages any lawsuit in which it is a defendant and calculates its potential exposure to litigation on an ongoing basis. The Group maintains liability insurance policies which cover, subject to certain deductibles, both product liability and general commercial liability, in amounts that the Group's management believes are adequate to cover its potential liability relating to its present risk exposure from legal proceedings.

Recent Interactions with Regulators

Ongoing Inspections

In April 2022, the Swedish FSA initiated a planned inspection of the Group's AML compliance. The Group and the Swedish FSA have had ongoing communication throughout such inspection. The Swedish FSA is currently assessing if any findings are of such a nature that there are grounds to take any actions against the Group. Although the final outcome of such inspection remains uncertain, the Swedish FSA has the right, pursuant to Chapter 15 of The Banking and Finance Business Act (2004:297), to impose sanctions, remarks or warnings and/or fines on Klarna Bank.

In October 2023, the Swedish Consumer Agency (*Sw: Konsumentverket*) initiated an investigation into Klarna Bank AB regarding a potential breach of marketing requirements. The Group is currently awaiting further response from the agency.

In March 2024, Discovery Audit Services performed an unclaimed property audit of Klarna Inc., representing 17 states in the US. This audit is focusing on procedures and filings related to unclaimed property to ensure compliance with state requirements.

Norway's Consumer Protection Agency disagreed with the Group's original assessment that its products were beyond the scope of the Financial Contracts Act (*Finansavtaleloven*), which came into effect in Q1 2023, and has required the Group to comply from 1 November 2024. The Group has a plan to comply with those actions that relate to pre-contractual and contractual information, complaint handling and dispute resolution, and obligations on creditworthiness assessment and has aligned the remediation plan with the Agency to prevent a weekly fine (NOK 9 million) that would otherwise be imposed.

In May 2024, Klarna Inc. was informed of a ‘Multistate Money Transmission License Examination’ initiated by the states of Michigan, Texas, Arizona, Maryland, Kentucky, and Minnesota. Covering the period from March 2023 to June 2024 as part of normal supervisory activity.

Completed Inspections

The New Hampshire Department of Banking in the US conducted a multi-state examination of Klarna Inc.'s Small Loan Lender activity on 28 December 2023. Money transmitters rated a composite “2” are fundamentally sound and in substantial compliance with laws and regulations, with only moderate weaknesses.

Recent events relevant to Klarna Bank’s solvency

On 23 May 2024, Klarna Bank AB (publ) resolved to issue 5,727,831 shares to Klarna Holding AB (publ) for a total cash consideration of SEK 4,159 million. On 27 June 2024, Klarna Bank AB (publ) resolved to issue 4,219,445 shares to Klarna Holding AB (publ) and Klarna Midco AB following for a total cash consideration of SEK 1,212 million.

Shares and shareholders

Klarna Bank is legally and beneficially owned and controlled by Klarna Holding. The rights of Klarna Holding as a shareholder in Klarna Bank are contained in the Articles of Association of Klarna Bank and will be managed in accordance with those articles and with the provisions of Swedish law.

Under its current Articles of Association, Klarna Bank’s share capital shall be no less than SEK 2,500,000 and no more than SEK 100,000,000, divided into no less than 150,000,000 shares and no more than 600,000,000 shares. Klarna Bank has only one class of shares. As of 31 May 2024, Klarna Bank’s registered share capital was SEK 79,568,545.056, represented by 236,811,146 shares. Each share has a quota value of SEK 0.34.

Shareholders in Klarna Bank as of 23 May 2024.

Shareholder	**percentage of share capital and votes**
Klarna Holding AB (publ)	96.81
Klarna Midco AB	1.86
Larkan AB (publ)	1.34
Total	**100**

RISK MANAGEMENT

Risk management is central to the Group's operating model and underpins all activities conducted throughout the organisation. The purpose of risk management is to safeguard the Group's long-term viability, mitigate volatility in financial performance, enhance operational resilience and performance, and facilitate informed decision-making.

The Group's risk management governance model encourages a risk-aware culture combined with control structures which are monitored and enforced by independent control functions. Key controls are documented and assessed on a regular basis, with assessments considering both effectiveness of design and operation. The risk strategy is a natural extension of the business model that focuses on identification, assessment, management and monitoring of the material risks that the Group is exposed to.

Risk Governance

The Group operates a financial services industry standard three lines of defence model for risk management and control. The model allocates responsibilities for activities among teams or functions in three independent lines as outlined below.

Board and Group Management Team Overall Responsibilities		
Business Line Management	**Risk Control and Compliance**	**Internal Audit**
"Risk ownership" 1st line of defence	**"Control functions" 2nd line of defence**	**"Risk assurance" 3rd line of defence**
Owns risk and risk management activities. Performs necessary controls to secure acceptable risk exposure.	Establishes policies and framework, provides advice, facilitates risk assessment and independent control including reporting of adherence to risk appetites, limits and frameworks.	Tests, validates and assess efficiency in governance, risk management and internal control processes and activities.

Board of Directors and Audit, Compliance & Risk Committee

The ultimate responsibility for risk management rests with the Board of Directors, which sets the Group's risk appetite limits and policies establishing the principles for risk management. It also oversees and promotes a sound risk culture of risk awareness and understanding across the organisation to encourage informed decision making. The Board of Directors is supported by the Audit, Compliance and Risk Committee in performing its duties regarding risk management. The Group Management Team are responsible for implementing the risk strategy. They are also accountable for the management of risks within each of their areas of responsibility, and to promote a sound and effective risk culture across their teams and the Group as a whole.

Three levels of risk management

First Line of Defence – Business Line Management

The Business Line Management function is responsible for the risks, and management of these, within their respective area of responsibility. They are responsible for ensuring that the appropriate organisation, procedures and support systems are implemented to ensure a sufficient system of internal controls.

Second Line of Defence – Risk Control and Compliance

The Risk Control and Compliance functions oversee risk. These functions set the principles and framework for risk management, facilitate and challenge risk assessments, perform independent control testing, and report on adherence to risk appetites, limits and frameworks. The control functions are independent of business line management. They attend and report to the Audit, Compliance and Risk Committee and the Board.

Third Line of Defence – Internal Audit

The Internal Audit line provides risk assurance through independent periodic reviews of governance structures and control systems. This includes regular evaluation of the Group's framework for risk management and a yearly review of the control functions in the second line of defence. Internal Audit reports directly to the Board of Directors.

Risk strategy and appetite

The Group's risk strategy is set by the Board of Directors and outlines the nature of risks that the business is exposed to, its willingness to take these risks and how they are managed. It is formed through the Group's business plan, established by the Group Management Team and approved by the Board of Directors; the Risk Policy, which forms the basis of the Group's risk management framework; the Credit Policy which sets out the Group's credit strategy; and the Internal Capital and Liquidity Adequacy Assessment Process. The risk appetite framework outlined in the Risk Policy reflects the Group's willingness to take and limit risk. The appetite is set by the Board of Directors and reviewed and updated regularly, at least on an annual basis. This annual review is an integral part of the annual business planning process, ensuring alignment of the business strategy, planned business activities and the Group's risk exposures. The Board and Executive Management also issue specific written policies and instructions for managing risks, which are complemented by detailed routine descriptions within the organization. The second line functions provide an independent assessment of the Group's risk profile to the Group Management Team and the Board of Directors on at least a quarterly basis.

MANAGEMENT

Board of Directors

The Board of Directors of Klarna Bank consist of eight ordinary members. The table below sets out the name and position of each board member as of the date of this Base Prospectus.

Name	Year of birth	Board member since	Position	Independent /dependent
Michael Moritz	1954	2010	Chair	Dependent
Sebastian Siemiatkowski	1981	2005	Member, Managing Director	Dependent
Sarah Smith	1959	2020	Member	Independent
Lise Kaae	1969	2020	Member	Dependent
Mikael Walther	1981	2016	Member	Dependent
Omid Kordestani	1963	2020	Member	Independent
Roger W. Ferguson Jr.	1951	2021	Member	Independent
Andrew Reed	1990	2024	Member	Dependent

Michael Moritz: Mr. Moritz has been the Chair of the Board since the end of 2020. He holds a M.A. in History from the University of Oxford. Mr. Moritz is a Partner at Sequoia Capital, board member of Klarna Holding AB, 24 /7 Customer, Instacart, GameFly, Stripe Inc, Group Nine Media, Inc. and Berkeley Lights Inc.

Sebastian Siemiatkowski: Mr. Siemiatkowski has been a member of the Board since 2005 and CEO since 2010 and is one of the founders of Klarna. He holds a Master of Science in Economics and Business from Stockholm School of Economics. Mr. Siemiatkowski is currently board member and CEO in Klarna Holding AB, as well as chairman of Flat Capital AB (publ). He also serves as chairman and board member of various Group Companies.

Sarah Smith: Ms. Smith has been a member of the Board since 2020. She holds an Advanced Diploma in Accounting from the City of London University (formerly Polytechnic) and is Chartered Accountant, Fellow, member of the Institute of England and Wales. Ms. Smith is currently a board member of Via Transportation, 98point6 and PCAP. She is also member of the Board of Trustees of the Financial Accounting Foundation, parent organisation of the FASB and FASB. Previously, Ms. Smith was a Chief Compliance Officer, Controller and Chief Accounting Officer at Goldman Sachs.

Lise Kaae: Ms. Kaae has been a member of the Board since 2020. She holds a Bachelor in International Business Administration and IT and a MSc in Business and Economics and Auditing from Aarhus School of Business. Ms. Kaae is also a state authorised public accountant. She is currently a board member of Klarna Holding AB, VKR Holding A/S, Bestseller A/S, Normal A/S and Chr. Ms. Kaae is the CEO and board member of Heartland A/S and holds various board positions in consolidated companies under Heartland A/S.

Mikael Walther: Mr. Walther has been a member of the Board since 2016. He holds a M.Sc. in Economics and Business from Stockholm School of Economics and a MSc. in Engineering Physics from KTH Royal School of Technology. Mr. Walther is currently a board member of Klarna Holding AB, Managing Director at Rosfelt Holding AB, chairman of Hedda Manager AB. He is also CEO and board member in several small

private holding companies without any operational activities. Previously, Mr. Walther led the investment company Navos Capital and has worked for Cevian Capital and Goldman Sachs.

Omid Kordestani: Mr. Kordestani has been a member of the Board since 2020. He holds a Master of Business Administration (MBA), Organisational Leadership from Stanford University and a Bachelor of Science and Electrical and Electronics Engineering from San Jose State University. Mr. Kordestani is currently a chairman of Pearson, PLC and a board member of Klarna Holding AB. He has also been a board member of Spotify and Vodafone, as well as chairman and board member of Twitter Inc. Previously, Mr. Kordestani has also been a Senior Vice President of Worldwide Sales and Business Development at Google.

Roger W. Ferguson Jr.: Mr. Ferguson Jr. has been a member of the Board since 2021. He holds a PhD in Economics and Doctor of Law from Harvard University, as well as a Bachelor of Arts in Economics from Harvard University. Mr. Ferguson Jr. is currently a board member of Klarna Holding AB, Alphabet Inc, Corning Inc and International Flavors & Fragrances Inc. He is also active as an advisor and board member with various private fintech companies. Mr. Ferguson Jr. serves on the boards of The Conference Board, the Institute for Advanced Study, Memorial Sloan Kettering Cancer Center and Columbia University's Teachers College. Previously, Mr. Ferguson Jr. has been the President and CEO of TIAA and former Vice Chairman of the Board of Governors of the U.S. Federal Reserve System.

Andrew Reed: Mr. Reed has been a member of the Board since 2024. He holds a BA from Amherst College. Mr. Reed is currently a partner in Sequoia Capital, and a board member of Klarna Group plc, Klarna Holding AB, Klarna Bank AB, Bolt Technology OU, Medallion (FirstLayerAI, Inc.), Papaya (Snappays Mobile, Inc.), Productboard, Inc., Snapdocs, Inc., Sourcegraph, Inc., Tourlane GmbH, Vanta Inc., Warp (Denver Technologies, Inc.), Strava, Inc., and Figma, Inc. Previously, Mr. Reed has served as board member at Loom, Inc. and has been an analyst with Goldman Sachs.

Senior Management Team

The Senior Management of the Group consists of a team of eleven persons. The table below sets forth the name and current position of each member of the Group Management.

Name	Position
Sebastian Siemiatkowski	President and CEO
David Fock	Chief Product and Design Officer, Head of Consumer Product
Yaron Shaer	Chief Technical and Information Security Officer
Niclas Neglén	Chief Financial Officer, Head of Capital & Liquidity
David Sandström	Chief Marketing Officer
David Sykes	Chief Commercial Officer, Head of Merchant Product
Camilla Giesecke	Chief Operating Officer
Joachim Reuss	Chief Risk Officer
Joaquin Calderon	Chief Compliance Officer
Arvind Varadhan	Chief Credit Risk Officer
Boudien Moerman	Chief Legal Officer & Company Secretary

Sebastian Siemiatkowski: See "*Board of Directors*" above.

David Fock: Born 1977. At Klarna since August 2010. Principal education: Stockholms hotell och restaurangskola.

Yaron Shaer: Born 1976. At Klarna since June 2014. Principal education: Bachelor of Technology and Management. Tel-Aviv Academic College of Engineering.

Niclas Neglén: Born 1977. At Klarna since March 2021. Principal education: M.Sc. Stockholm School of Economics.

David Sandström: Born 1983. At Klarna since June 2017. Principal education: Master in Business & Administration, Communication, Handelshögskolan Institute.

David Sykes: Born 1984. At Klarna since October 2019. Principal education: Bachelor of Laws, Bachelor of Arts (Hons), International Relations and Public International Law, Australian National University.

Camilla Giesecke: Born 1980. At Klarna since February 2017. Principal education: M.Sc. Stockholm School of Economics.

Joachim Reuss: Born 1979. At Klarna since August 2021. Principal education: M.Sc. Industrial Engineering & Management, Linköping University.

Joaquin Calderon: Born 1977. At Klarna since September 2022. Principal education: Master of Business Administration, INSEAD, France. Bachelor of Laws, Universidad Complutense de Madrid, Spain.

Arvind Varadhan: Born 1980. At Klarna since August 2022. Principal education: M.Eng. in Civil Engineering, University of Florida, US; Bachelors of Technology in Civil Engineering, Indian Institute of Technology Delhi, India.

Boudien Moerman: Born 1978. At Klarna since June 2024. Principal education: M.A. (Hons) Oxford University, qualified as solicitor of England and Wales 2006

Additional information on the Senior Management Team

Business address

The office address of the Senior Management Team is the registered office of Klarna Bank, at Sveavägen 46, SE-111 34 Stockholm, Sweden.

Conflicts of interest

To the best of Klarna Bank's knowledge, no conflicts of interests exist between the private interest and other duties of the board members or the Senior Management Team and their duties towards Klarna Bank.

Auditors

At the 2023 and 2024 annual general meetings, Ernst & Young AB was re-elected as auditor of Klarna Bank. In 2024 (for the period until the end of the Annual General Meeting 2025), Ernst & Young AB appointed Hamish Mabon as auditor-in-charge of Klarna Bank. Hamish Mabon is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden.

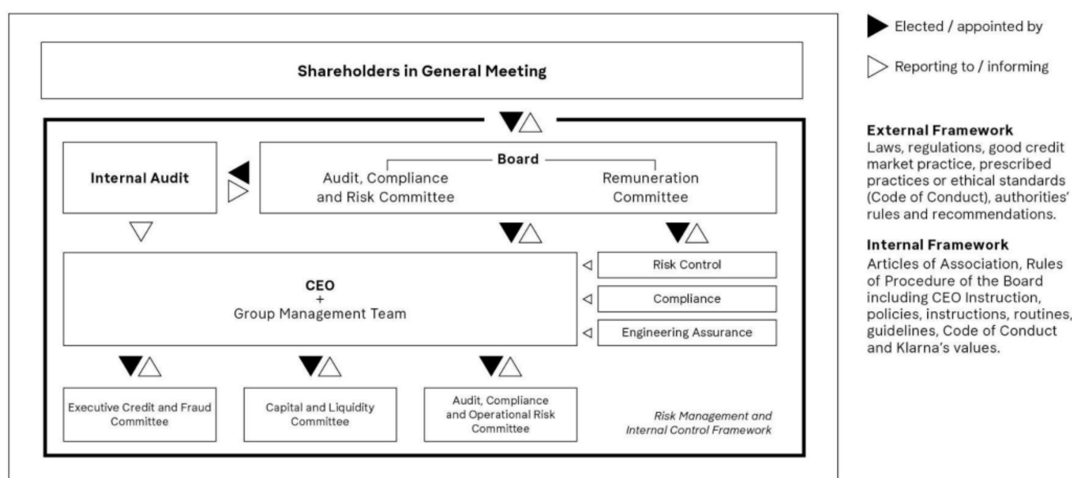
The registered office address of Ernst & Young AB is Hamngatan 26, SE-111 47 Stockholm, Sweden.

Corporate Governance

Good corporate governance means ensuring that the Group is run sustainably, responsibly and as efficiently as possible. Maintaining the confidence and trust of our stakeholders is vitally important to the Group's continued success.

Corporate Governance Structure

The Group's corporate governance structure distributes rights and responsibilities between the shareholders, the Board and the CEO according to the relevant laws, rules and internal processes. We believe well defined reporting lines and distribution of distinct responsibilities are essential to good corporate governance. Our high ethical and professional standards and a sound risk culture are also vital in ensuring good governance.



Framework for corporate governance – external and internal framework

External Framework

In addition to general laws, rules and industry practices, the Group must also comply with the detailed regulations specific to banks and payment service providers. These include the Swedish Banking and Financing Business Act (SFS 2004:297) and rules and recommendations issued by the Swedish FSA with regard to, among other things, capital and liquidity requirements as well as rules on internal governance and control. As Klarna Bank has corporate bonds listed at Nasdaq Stockholm, Klarna Bank is also subject to the Rule Book for Issuers of Fixed Income Instruments.

Internal Framework

In order to ensure compliance with external regulations Klarna operates an internal framework which incorporates the external requirements on corporate governance. Of primary importance are the Rules of Procedure of the Board (which include how to address conflicts of interest for Board members and instructions for the operation of the Board's committees), the Instructions for the CEO, the Policy for Suitability, Training and Diversity of the Board, Management and Key Function Holders, and the Policy for the Group Board Committees. These documents have been adopted by Klarna Holding's Board. Additionally, the Group's Code of Business Conduct provides an ethical framework for the conduct of all members of governing bodies and employees.

The Group has a framework of approved policies and instructions. These are important tools for the Board and the CEO in their governing and controlling roles, as well as defining the roles, requirements and expectations of the second and third lines of defence within risk ownership and all employees in the fulfilment of their roles. These policies include, for example, the Risk Policy, Compliance Policy, Credit Policy, Insider and Disclosure Policy, Conflicts of Interest Policy, Anti-Money Laundering and Counter Terrorist Financing Policy, Remuneration Policy, and the Global Work Environment Policy.

These mechanisms, together with the Articles of Association, constitute the internal framework that regulates corporate governance at the Group.

Annual General Meeting

The General Meeting is the Group's highest decision-making body where shareholders exercise their voting rights. At the General Meeting decisions are taken regarding matters including the annual report, the income statement and balance sheet, dividends, election of the Board of Directors and auditors, and remuneration for Board members and auditors.

CERTAIN REGULATORY CONSIDERATIONS

Banks and other companies in the financial sector are subject to extensive regulation in Sweden and in other jurisdictions in which they operate. This section briefly describes certain of the regulations governing the Group relating to capital adequacy and liquidity, MREL and the Resolution Act. The information herein is current as of the date of this Base Prospectus. Many regulations are presently undergoing substantial changes, or have recently undergone such changes with resulting lack of foreseeability as to how they will be applied by the authorities. Some of these changes are referred to in the section titled "*Risk Factors*".

Capital adequacy and liquidity

The Swedish capital adequacy framework is based on the CRR (as amended) and the EU Capital Requirements Directive (as amended) (the "**CRD**"), which implement in the EEA the framework for capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions (the so-called "**Basel III**" framework) published by the Basel Committee in 2010. In addition, on 13 January 2011, the Basel Committee published minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability.

Following the publication of the Basel III framework, on 20 July 2011, the European Commission published corresponding proposed changes at the EU level to replace the CRD with two legislative instruments: a regulation establishing prudential requirements financial institutions are required to comply with (the "**CRR**"), and a Directive (through an amendment of Directive 2002/87/EC) governing the access to deposit-taking activities. The Fourth Capital Requirements Directive 2013/36/EU legislative package ("**CRD IV**") was published in the Official Journal of the European Union on 27 June 2013, and a Fifth Capital Requirements Directive 2019/878 was published on 20 May 2019 ("**CRD V**"). CRD IV was required to be implemented by the EU member states so as to apply from 1 January 2014 and CRD V from 28 June 2021. The CRR became directly effective in EU member states from 1 January 2014, and an amendment (CRR II) was implemented on 28 June 2021, in each case, with certain exceptions.

Accordingly, from 1 January 2014, the Swedish capital adequacy framework was based on the CRR and CRD. As from 1 January 2014 and 28 June 2021, the CRR became Swedish law, while the CRD was implemented in Sweden in 2014 and 2021 through amendments to Swedish legislation and Swedish FSA regulations. The CRR and CRD are complemented by a set of technical standards developed by the EBA and adopted by the European Commission.

The CRR and CRD IV introduced significant changes in the prudential regulatory regime applicable to banks, including: increased minimum capital ratios; changes to the definition of capital and the calculation of REA; and the introduction of new measures relating to leverage, liquidity and funding. The CRR and CRD IV allowed for a transitional period for certain of the enhanced capital requirements and certain other measures. The Swedish authorities decided however that the higher capital requirements resulting from the implementation of the CRR and CRD IV would be implemented without any phasing-in period, with the only exception that capital instruments not fully compliant with the CRR may be included in the total capital during a limited grandfathering period. Since 2014, Swedish banks have been required to report their leverage ratio to the Swedish FSA, and a formal disclosure requirement was introduced in the first quarter of 2015.

In early September 2014, the Swedish FSA imposed capital requirements beyond the minimum level of 7 per cent. Common Equity Tier 1 ("**CET 1**") capital (including the mandatory capital conservation buffer of 2.5 per cent.) on Swedish banks, in accordance with EU rules. The countercyclical buffer rate for Swedish exposures was set to 1.0 per cent. from 13 September 2015, was increased to 1.5 per cent. from 27 June 2016 and was increased further to 2.0 per cent. beginning 19 March 2017. In March 2020, the countercyclical buffer was reduced to 0.0 per cent. In September 2022, the countercyclical buffer rate was raised to 1.0 per cent. and was increased further to 2 per cent. effective from 22 June 2023.

In January 2016, the Swedish FSA reiterated that it did not intend to make formal decisions on the capital requirement for individual institutions under Pillar 2. As long as a formal decision was not made, the capital requirement under Pillar 2 did not affect the level at which automatic restrictions on dividend and coupon payments on certain subordinated securities take effect (due to a breach of the combined buffer requirements). However, this changed after the implementation of the Banking Reform Package (CRR II and CRD V) with the introduction of a new Pillar 2 framework which includes a Pillar 2 requirement.

Supervisory authorities in Sweden and at the European level have noted the major differences among the average risk weights that institutions use to calculate their credit risk exposure under their respective internal rating-based ("**IRB**") approach (a basis for calculating capital requirements for credit risk).

The leverage ratio is a non-risk-adjusted solvency requirement introduced in Basel III, intended to be a backstop to the risk-based capital measures. It is intended to limit the leverage effects in the balance sheet of volumes that are overly large in relation to a bank's own capital and to provide an extra layer of protection against model risk and measurement error. Under the CRR, banks have been required to calculate and report their leverage ratio to regulators since 1 January 2014 and to disclose extensive information about the ratio publicly since 1 January 2015.

The Basel III guidelines also include liquidity standards which are comprised of a Liquidity Coverage Ratio (the "**LCR**") and a Net Stable Funding Ratio (the "**NSFR**"). The LCR requires banks to hold a reserve of liquid assets sufficient to withstand a 30-day period of liquidity stress. The NSFR rules set minimum requirements for matching the maturities of a bank's funding to the maturity of its assets.

The CRR contains provisions regarding the components of the LCR and is complemented by Delegated Regulation 2015/61. As of January 2018, the European regulatory minimum requirement for the LCR on an aggregated level was set to 100 per cent. and, following previously communicated Pillar 2 requirements, the Swedish FSA also required banks to comply with the LCR in EUR and USD to at least at 100 per cent. As of 1 October 2019, the Swedish FSA introduced a minimum requirement for the LCR in SEK of 75 per cent. Klarna Bank complies with all applicable liquidity regulatory requirements, including the LCR and the NSFR.

Under the Swedish FSA regulation on Management of Liquidity Risk in Credit Institutions and Securities Companies, credit institutions and securities companies must have proper procedures for identifying, measuring and controlling liquidity risk and must also keep a liquidity reserve adapted to the size and the needs of the company.

European legislation also focuses on liquidity and funding risks in addition to the introduction of the LCR and the NSFR. There are separate reporting requirements on asset encumbrance, funding plans and additional liquidity monitoring metrics to further strengthen the information provided to supervisors. Furthermore, the Internal Liquidity Adequacy Assessment Process is submitted to regulators as an additional report on systemic and institution specific risks relating to liquidity and funding.

Amendments to regulations

On 27 June 2019, a series of measures referred to as the Banking Reform Package came into force in the EU, subject to various transitional and staged timetables. The Banking Reform Package updated the framework of harmonized rules established after the financial crisis and introduced changes to the CRR, CRD IV, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") and the Single Resolution Mechanism Regulation (EU) No 806/2014 (the "**SRMR**").

These amendments covered multiple areas, including the Pillar 2 framework, a binding leverage ratio minimum requirement of 3 per cent., restrictions to the maximum distributable amount (the "**MDA**") if the minimum requirement is breached, a binding net stable funding ratio requirement, mandatory restrictions on

distributions, permission for reducing own funds and eligible liabilities, macro prudential tools, the Basel Committee's new standardised approach for measuring counterparty credit risk exposures, the Basel Committee's Fundamental Review of the Trading Book, the framework for minimum requirement for own funds and eligible liabilities ("**MREL**") and the integration of the total loss-absorbing capacity standard into EU legislation. These amendments were fully implemented in Sweden as of 1 July 2021.

The Swedish FSA now takes formal decisions under the Pillar 2 requirement, which means that the MDA is triggered should an institution breach its Pillar 2 requirements. Furthermore, the Swedish FSA provides guidance as to how much credit institutions should hold in addition to their Pillar 2 requirement to mitigate future financial stress.

A leverage ratio requirement of 3.0 per cent. of the leverage exposure measure has been a binding capital requirement since 28 June 2021. In addition, the Swedish FSA decides on leverage ratio guidance in accordance with the Pillar 2 framework to be met on top of the leverage ratio requirement. The leverage ratio requirement is a parallel requirement to the risk-based capital requirement.

In December 2017, the Basel Committee presented the finalised Basel III regulations, usually called Basel IV. The regulations contain a number of policy and supervisory actions to strengthen the reliability and comparability of risk-weighted capital ratios and reduce unjustified differences in capital requirements between banks and countries. The actions include revisions to the standardised approaches used to estimate banks' capital requirements for credit risk. A floor was introduced for banks that use internal models to calculate risk-weighted assets that requires risk-weighted assets not to fall below 72.5 per cent. of the amount calculated using the standardised approach. The proposed changes have been gradually and will be fully implemented by 2028.

According to the agreed European implementation of the finalised Basel III regulations, the output floor should be phased in between 2025 and 2030. The proposal also contained exemptions beyond those proposed by the Basel Committee. The exemptions were proposed to apply until 2032.

MREL

To ensure that banks always have sufficient loss absorbing capacity, the Swedish Resolution Act, which implemented the BRRD, provides for the Swedish resolution authority, the SNDO, to decide on an MREL requirement for each institution, based on, amongst other criteria, its size, risk and business model.

Since October 2020, the Group is required to comply with the full range of obligations on the content of recovery plans in accordance with the Swedish FSA issued regulation FFFS 2016:6. In terms of resolution, Klarna Bank is not deemed a systemically important institution by the Swedish National Debt Office and Klarna Bank has a MREL Requirement which is lower than its prevailing capital requirements

The Resolution Act and the Act on Preventative Government Support to Credit Institutions

On 2 July 2014, the BRRD entered into force. The BRRD is intended to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. On 1 February 2016, the BRRD was implemented in Sweden by the entry into force of the Resolution Act (*Sw. lagen (2015:1016) om resolution*).

A credit institution can be placed into resolution by the SNDO (the "**resolution authority**") if (a) the Swedish FSA has determined that the institution is failing or likely to fail, (b) there are no alternative measures which would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is necessary in the public interest. The Resolution Act contains four resolution tools and powers which may be used alone or in combination. The resolution tools are: (i) sale of business, which enables the resolution authority to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) in order to enable continuation of critical businesses, transfer of all or part of the assets or liabilities of the

institution to a "bridge institution" (an entity created for this purpose that is wholly or partially publicly owned); (iii) asset separation, which enables the resolution authority to transfer assets, rights or liabilities to one or more asset management vehicles, wholly or partially publicly owned, to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this tool may only be used together with another resolution tool); and (iv) bail-in, which gives the resolution authority the power to write down certain claims of unsecured creditors (including the Notes) of a failing institution and to convert certain unsecured debt claims, including the Notes, into equity (the "**general bail-in tool**"), which equity could also be subject to future cancellation, transfer or dilution. In addition, the resolution authority has, amongst others, the power to: (i) stop payments from the institution under resolution; (ii) take action to prevent creditors and other counterparties of the institution from terminating contracts early or executing set-off or netting arrangements; and (iii) to vary the maturity, the interest rate and the interest payment date of the relevant unsecured debt claims (including the Notes).

An institution will be considered as failing or likely to fail when (i) it is, or is likely in the near future to be, in breach of its obligations to the extent that its authorisation should be withdrawn; (ii) the value of its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires public financial support (with some exceptions listed in the Resolution Act).

In addition to the resolution tools (such as the general bail-in tool), the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity, Tier 1 capital instruments and Tier 2 capital instruments (such as the 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 such capital instruments upon any such conversion into equity may also be subject to future cancellation, transfer or dilution. This power has been extended to include external eligible liabilities (such as the Senior Preferred Notes) if used in combination with a resolution power since BRRD II was implemented.

The BRRD also provides for a Member State 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.

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**"). Those rules comprise capital adequacy regulations as well as resolution regulations, and are intended 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. The BRRD Amendment was published in the Official Journal of the European Union on 7 June 2019 by way of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 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 27 June 2019. The Swedish legislative changes to implement the amendments to the BRRD entered into force on 1 July 2021.

For a discussion on how the Resolution Act may affect the Group and the Notes, see "*Risk Factors—The Bank Recovery and Resolution Directive*" and *"Risk Factors–General Risks Relating to Notes—The Notes may be subject to write-down or conversion into ordinary shares of the Issuer*".

Furthermore, on 1 February 2016, the Act on Preventative Government Support to Credit Institutions (*Sw: lagen (2015:1017) om förebyggande statligt stöd till kreditinstitut*) entered into force. This act enables the authorities to give Government support to credit institutions before the point at which the Resolution Act would apply. In addition, this act stipulates the setting up of a stability fund for the purpose of financing preventive action under the act as well as actions taken under the Resolution Act.

TAXATION

Swedish Taxation

The following summary outlines certain Swedish tax consequences to holders of Notes who are not residents of Sweden for income tax purposes. Purchasers are urged to consult their professional advisers as to the tax consequences of acquiring, holding or transferring Notes.

Under Swedish law as presently in effect, payments of any principal or any amount that is considered to be interest for Swedish tax purposes to the holder of any Note will not be subject to Swedish income tax, provided that such holder is neither (i) resident in Sweden for tax purposes nor (ii) engaged in trade or business in Sweden through a permanent establishment to 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 or a continuous stay in Sweden at any time during the calendar year of the 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. However, the applicability of this rule may be limited by the applicable tax treaty for the avoidance of double taxation.

Swedish law, as presently in effect, does not provide for deduction or withholding for or on account of taxes on payments of any principal or interest to the holder of any Notes, except on payment of interest, and any other yield on any Notes which is paid at the same time as interest, to a holder of Notes who is a private individual (or an estate of a deceased individual) who is (or was) resident in Sweden for Swedish tax purposes.

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 Issuers are foreign financial institutions 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. Certain aspects of the application of 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 the 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, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterised as debt (or which are not otherwise categorised as equity and have a fixed term) for U.S. federal income tax purposes 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 (including by reason of a substitution of the Issuer). However, if additional Notes (as described under "*Terms and Conditions of the Notes – Further Issues*") 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. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

The Dealers who have agreed to purchase Notes of a Series from an Issuer will be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

Notes may be sold from time to time by an Issuer to any one or more of BNP PARIBAS, Citigroup Global Markets Europe AG, J.P. Morgan SE, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) (the "**Dealers**", which expression shall include any additional dealer or dealers appointed under the Programme from time to time) or to any other person or institution. The arrangements under which Notes may from time to time be agreed to be sold by an Issuer to, and purchased by, Dealers are set out in an Amended and Restated Dealer Agreement dated 7 October 2024 (as amended and restated or supplemented from time to time, the "**Dealer Agreement**") and made between the Issuers and the Dealers. Any such agreement will *inter alia* make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or renewal of existing Dealers and the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Dealer Agreement prior to the closing of the issue of the relevant Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the relevant issue date. In this situation, the issuance of the relevant Notes may not be completed. Investors will have no rights against the Issuers or Dealers in respect of any expense incurred or loss suffered in these circumstances.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuers and their affiliates in the ordinary course of business and/or for companies involved directly or indirectly in the sector in which the Issuers and/or their affiliates operate and for which such Dealers have received or may receive customary fees, commissions, reimbursement of expenses and indemnification. Certain of the Dealers may also have positions, deals 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 Issuers and their 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 their 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 Issuers or the Issuer's affiliates. The Dealers and/or their affiliates may receive allocations of the Notes (subject to customary closing conditions), which could affect future trading of the Notes. Certain of the Dealers or their affiliates that have a lending relationship with one or both of the Issuers routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. 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.

General

No action has been or will be taken in any country or jurisdiction by the Issuers or the Dealers that would permit a public offering of Notes, or possession or distribution of this Base Prospectus or any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus or any Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, comes are required by the Issuers and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Base Prospectus or any other material relating to the issue, offering and/or sale of Notes and will obtain any consent, approval or permission required by it for the purchase, offer or sale 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 or sales and neither the Issuers nor any other Dealer shall have any responsibility therefor.

Selling restrictions may be supplemented or modified with the agreement of the Issuer.

Prohibition of Sales to EEA Retail Investors

Unless the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the applicable Final Terms (or applicable Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, 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 made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member 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 relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) and 3(2) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United States of America

Regulation S Category 2 TEFRA D, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by United States Treasury regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until forty days after completion of the distribution of the Notes comprising the relevant Tranche, within the United States or to or for the account or benefit of United States persons, and such Dealer and its affiliates will have sent to each Dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of United States persons.

UK

Prohibition of sales to UK Retail Investors

Unless the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed

by the applicable Final Terms (or applicable Pricing Supplement, as the case may be) in relation thereto to any retail investor in 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 (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression an "offer of 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 for the Notes; and
- the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is

reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the relevant Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer; and

(c) 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.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and Italian Commissione Nazionale per le Società e la Borsa ("**CONSOB**") regulations; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, and Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that: (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Unless the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) 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 (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Switzerland

This Base Prospectus is not intended to constitute an offer or a solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

GENERAL INFORMATION

1. The establishment of the Programme was authorised by the Board of Directors of Klarna Bank at a meeting held on 10 March 2022 and by the Board of Directors of Klarna Holding at a meeting held on 28 April 2023. Issuances of Notes under the Programme are duly authorised by the person duly appointed by virtue of the aforementioned board resolutions of the relevant Issuer at the time of any such issuances.

2. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Klarna Bank is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of Klarna Bank or the Bank Group.

3. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Klarna Holding is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of Klarna Holding or the Group.

4. There has been no significant change in the financial performance of the Bank Group or the financial position of the Bank Group since 30 June 2024 and there has been no material adverse change in the prospects of Klarna Bank since 31 December 2023.

5. There has been no significant change in the financial performance of the Group or the financial position of the Group since 30 June 2024 and there has been no material adverse change in the prospects of Klarna Holding since 31 December 2023.

6. Ernst & Young AB (Authorised Public Accountants) of Hamngatan 26, SE-111 47 Stockholm, Sweden, have audited the financial statements of the Issuers for the financial years ended 31 December 2022 and 31 December 2023.

7. Ernst & Young AB is a member of FAR, the professional institute for authorised public accountants (Sw: *auktoriserade revisorer*), approved public accountants (Sw: *godkända revisorer*) and other highly qualified professionals in the accountancy sector in Sweden.

8. Application will be made to have the Notes accepted for clearance through the Euroclear and Clearstream, Luxembourg clearance systems (which are the entities in charge of keeping book-entry records). The appropriate Common Code and ISIN number allocated by Euroclear and/or Clearstream, Luxembourg will be contained in the Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, relating thereto. If the Notes are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

9. For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from https://www.klarna.com/international/about-us/corporate-governance/investor-relations/debt-investors/:

    (a) Articles of Association of each Issuer;

    (b) the Trust Deed; and

    (c) this Base Prospectus, any supplement to this Base Prospectus, any documents incorporated by reference and, save as provided below, any Final Terms issued pursuant to the Programme

(other than any Pricing Supplements relating to Notes which are neither admitted to trading on any regulated market within the EEA or the UK nor offered in any Member State of the EEA or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation and/or the FSMA (including Exempt Notes)).

The Articles of Association of the Issuers referred to in paragraph (a) above are translated from the Swedish originals. The Issuers each confirm that such translations are direct and accurate translations from the Swedish originals.

10. This Base Prospectus has been approved by the Central Bank of Ireland as a base prospectus. Application has been made to Euronext Dublin for Notes (other than Exempt Notes) issued under the Programme to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market. The Euronext Dublin Regulated Market is a regulated market for the purposes of MiFID II.

    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 Regulated Market of Euronext Dublin 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 Issuer and the relevant Dealer(s) may agree.

11. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in connection with the Programme and is not itself seeking admission of Notes issued under the Programme to the Official List or to trading on the Regulated Market of Euronext Dublin for the purposes of the Prospectus Regulation.

12. Neither Issuer has entered into any material contracts outside the ordinary course of its business, which could result in any member of the Group or the Bank Group being under an obligation or entitlement that is material to the relevant Issuer's ability to meet its obligations to Holders of Notes issued under the Programme.

13. The issue price and principal amount of Notes of any Tranche to be issued will be determined at the time of offering of such Tranche in accordance with then prevailing market conditions.

14. In relation to any Tranche of Fixed Rate Notes or any Tranche of Reset Notes, as applicable, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity or the First Reset Date, as applicable, as at the Issue Date of the Notes and will not be an indication of future yield.

15. The Trust Deed provides that the Trustee may rely on any certificate or report from an expert or any other person in accordance with the provisions of the Trust Deed whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee in connection therewith contains any limit on the liability of such expert or such other person.

16. The language of this Base Prospectus 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.

17. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuers and their respective affiliates in the ordinary course of business. Certain of the Dealers and their affiliates 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 Issuers and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, 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 Issuers or their respective affiliates. Certain of the Dealers or their affiliates routinely hedge their credit exposures to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. 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.

THE ISSUERS

Klarna Bank AB (publ)
Sveavägen 46
SE-111 34 Stockholm
Sweden

Klarna Holding AB (publ)
Sveavägen 46
SE-111 34 Stockholm
Sweden

ARRANGER

J.P. Morgan SE
Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

DEALERS

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt am Main
Germany

J.P. Morgan SE
Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

Nordea Bank Abp
Satamaradankatu 5
FI 00020 Nordea
Helsinki
Finland

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
106 40 Stockholm
Sweden

Swedbank AB (publ)
SE-105 34 Stockholm
Sweden

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
160 Queen Victoria Street
London EC4V 4LA

PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA

REGISTRAR

The Bank of New York Mellon SA/NV, Dublin Branch
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

AUDITORS OF THE ISSUERS

Ernst & Young AB
Hamngatan 26
SE-111 47 Stockholm
Sweden

LEGAL ADVISERS

to the Issuers as to English law:

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

to the Issuers as to Swedish law:

Linklaters Advokatbyrå AB
Regeringsgatan 67
Box 7833
103 98 Stockholm
Kingdom of Sweden

to the Dealers as to English law:

Allen Overy Shearman Sterling LLP
One Bishops Square
London E1 6AD
United Kingdom

LISTING AGENT

Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin 2
Ireland