



IF P&C INSURANCE HOLDING LTD (PUBL)

(a company incorporated under the laws of Sweden with reg. no. 556241-7559)

SEK 1,500,000,000

Floating Rate Dated Subordinated Notes Due June 2051

Issue price: 100 per cent.

The SEK 1,500,000,000 Floating Rate Dated Subordinated Notes (the "**Notes**") are issued by If P&C Insurance Holding Ltd (publ) (the "**Issuer**").

The Notes will bear interest on their principal amount from and including 17 March 2021 (the "**Issue Date**"), payable quarterly in arrear on 17 June, 17 September, 17 December and 17 March in each year at a rate of interest equal to STIBOR plus the applicable Margin, as more fully described herein.

Terms used but not defined in this Prospectus shall have the same meaning as ascribed to them in the Conditions.

All payments of interest and principal are conditional upon the Issuer being "Solvent" at the time of payment and immediately thereafter, as further described in "*Terms and Conditions of the Notes – Status and Subordination*".

The Issuer has the right (and, in certain circumstances, is required) to defer the payment of interest in certain circumstances all as further described in "*Terms and Conditions of the Notes – Deferral of Payments*", and is required to suspend the payment of principal in certain circumstances all as further described in "*Terms and Conditions of the Notes – Redemption, Purchase, Substitution and Variation – Issuer suspension of redemption date*".

The Notes will mature on the Interest Payment Date falling in June 2051 (the "**Maturity Date**") and the Issuer may, subject to the prior approval of the Issuer Supervisor (as defined in "*Terms and Conditions of the Notes*"), redeem the Notes at their principal amount together with any accrued interest and Arrears of Interest (as defined in "*Terms and Conditions of the Notes*") on any date from and including 17 March 2026 to and including 17 June 2026 and on any Interest Payment Date thereafter. See "*Terms and Conditions of the Notes – Redemption, Purchase, Substitution and Variation – Redemption at the Option of the Issuer*". The Issuer will also have the right, subject as provided above and subject to the prior approval of the Issuer Supervisor, upon the occurrence of certain tax events, capital events or rating agency events, to redeem the Notes at their principal amount together with any accrued interest and Arrears of Interest or vary the Notes for, or substitute the Notes so that they become or remain, Qualifying Tier 2 Securities. See "*Terms and Conditions of the Notes – Redemption, Purchase, Substitution and Variation – Taxation Reasons – redemption, variation or substitution*", "*– Capital Disqualification Event redemption, variation or substitution*" and "*– Rating Agency Event redemption, variation or substitution*".

An investment in the Notes involves certain risks. For a discussion of these risks, see "*Risk Factors*" on pages 7 to 26.

This Prospectus has been approved by the *Luxembourg Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"), as a prospectus within the meaning of Article 6(3) of the EU Prospectus Regulation and issued in compliance with the EU Prospectus Regulation for the purpose of giving information with regard to the issue of Notes. The CSSF has only approved the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. Applications have been made for such Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended "**EU MiFID II**") on markets in financial instruments.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Joint Lead Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in the denomination of SEK 2,000,000 and integral multiples of SEK 1,000,000 in excess thereof. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or around the Issue Date with a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**") and, together with the Temporary Global Note, the "**Global Notes**", without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of SEK 2,000,000 and integral multiples of SEK 1,000,000 each and with interest coupons attached. See "*Overview of Provisions Relating to the Notes While in Global Form*".

Payments on the Notes will be made in SEK without deduction for or on account of taxes imposed or levied by the Kingdom of Sweden to the extent described under "*Terms and Conditions of the Notes—Taxation*".

The Notes will be rated BBB+ by S&P Global Ratings Europe Limited ("**S&P**"). According to S&P rating definitions available as at the date of this Prospectus, obligations rated 'BBB' mean obligations exhibiting adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the Issuer's capacity to meet its financial commitments on the obligations. The modifier '+' denotes its relative standing within the major rating categories. S&P is established in the European Economic Area ("**EEA**") and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). As such, S&P appears on the latest update of the list of registered credit rating agencies (as of the date of this Prospectus) on the ESMA website <http://www.esma.europa.eu>. The rating S&P has given to the Notes is endorsed by S&P Global Ratings UK Limited which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").

Amounts payable under the Notes are calculated by reference to the Stockholm Inter-bank Offered Rate ("**STIBOR**"), which is provided by Swedish Financial Benchmark Facility AB (the "**Administrator**"). As at the date of this Prospectus, the Administrator does not appear on the register of benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation (Regulation (EU) 2016/1011) apply, such that the Administrator is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A revision, suspension, reduction, or withdrawal of a rating may adversely affect the market price of the Notes.

Structuring Adviser

Citigroup

Joint Lead Managers

Citigroup

Nordea

SEB

The date of this Prospectus is 15 March 2021

CONTENTS

	Page
IMPORTANT NOTICES.....	2
RISK FACTORS	7
INFORMATION INCORPORATED BY REFERENCE	27
TERMS AND CONDITIONS OF THE NOTES.....	29
OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	57
USE OF PROCEEDS	60
DESCRIPTION OF THE ISSUER, THE ISSUER'S GROUP AND THE SAMPO GROUP	61
REGULATION	84
TAXATION	87
SUBSCRIPTION AND SALE	89
GENERAL INFORMATION	92
GLOSSARY OF TERMS.....	95

IMPORTANT NOTICES

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 EU MiFID II or; (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU 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 EU 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; 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 European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (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.

EU MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of 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 EU MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of the 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. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to 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 the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Suitability of Investment

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

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

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

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the 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.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

General

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

The Issuer has confirmed to Citigroup Global Markets Limited (the "**Structuring Adviser**") and the Joint Lead Managers named under "*Subscription and Sale*" below (the "**Joint Lead Managers**") that this Prospectus contains all information regarding the Issuer and the Notes which is (in the context of the issue, offering and sale of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Joint Lead Manager) in connection with the issue and offering of the Notes. Neither the delivery of this document nor the offering, sale or delivery of any Note made hereunder shall, under any circumstances, constitute a representation or

create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the affairs of the Issuer and its Subsidiaries (the "**Issuer's Group**") since the date hereof. This Prospectus does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Trustee (as defined herein), the Structuring Adviser or the Joint Lead Managers to subscribe for, or purchase, any of the Notes. This Prospectus does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Structuring Adviser, the Joint Lead Managers and Citicorp Trustee Company Limited (the "**Trustee**") have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or duty (whether fiduciary, in tort or otherwise) or liability is accepted by the Structuring Adviser, the Joint Lead Managers, the Trustee or any of them as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Structuring Adviser, the Joint Lead Managers or the Trustee that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers 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 distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**", "**euro**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, references to "**SEK**" are to Swedish Krona and references to "**GBP**" and "**£**" are to the lawful currency of the UK.

Certain industry terms are used in this Prospectus to describe the Issuer's business and the industry in which it operates. For a further explanation as to certain terms used, please refer to "*Glossary of Terms*" on page 103 of this Prospectus.

Any reference in this Prospectus to any legislation (whether primary legislation or secondary legislation made pursuant to primary legislation) shall, if the context so requires, be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

Certain total figures provided in tables and statements in the section entitled "*Description of the Issuer, the Issuer's Group and the Sampo Group*" may not always reconcile due to rounding. The presentation of these figures is to ensure that each line item corresponds to the relevant source and therefore rounding differences may arise in totals.

Forward Looking Statements

This Prospectus contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuer, the Issuer's Group and/or the Solvency II Group (as the case may be) are forward looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward looking statements are

based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future.

Factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors". Any forward-looking statements made by or on behalf of the Issuer speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Alternative Performance Measures ("APMs")

This Prospectus includes certain financial metrics which the Issuer considers to constitute APMs and which are provided in addition to the financial performance measures established by the International Financial Reporting Standards ("IFRS"), the Annual Accounts Act for Insurance Companies (Sw. *Lag om årsredovisning i försäkringsföretag*) (ARFL), the Swedish Financial Supervisory Authority's regulations and general recommendations on annual accounts in insurance companies (FFFS 2019:23) and the Swedish Insurance Business Act (Sw. *Försäkringsrörelselagen*) (FRL) (together the "**applicable accounting standards**"). The Issuer believes the APMs provide investors with meaningful, additional insight as to underlying performance of the Issuer. An investor should not consider financial measures outside of the applicable accounting standards as alternatives to measures reflected in the financial information incorporated by reference herein, which has been prepared in accordance with IFRS. In particular, an investor should not consider such measures as alternatives to profit after tax, operating profit or any other performance measures derived in accordance with applicable accounting standards or as an alternative to cash flow from operating activities as a measure of the Issuer's activity. The Issuer's financial measures outside of the applicable accounting standards may not be comparable with similarly titled financial measures reported by other companies.

In order to facilitate increased comparability, comments on changes in amounts and percentages between the current year and the preceding year are occasionally adjusted for the impact of changes in exchange rates, whereby amounts in foreign currency have been recalculated using the same exchange rates for the respective years.

For further explanation as to certain terms used in connection with the Description of the Issuer, the Issuer's Group and the Sampo Group, please refer to "*Glossary of Terms*" on page 103 of this Prospectus.

The Solvency II Group

As of the date of this Prospectus, the Solvency II Group is constituted by the Sampo Group. As of the date of this Prospectus, events which may give rise to a Capital Disqualification Event, a Regulatory Deficiency Interest Deferral Event and a Regulatory Deficiency Redemption Suspension Event (each of which may lead to an optional early redemption of the Notes, or a compulsory deferral of interest payments or suspension of redemption under the Notes) apply in relation to the Solvency II Group only, which is a larger group than the Issuer or the Issuer's Group. Therefore, the level of own funds, Solvency Capital Requirement and Minimum Capital Requirement of the Solvency II Group is dependent upon the performance and capital requirements of several other companies (including Sampo plc) and not just the Issuer or the Issuer's Group. Currently, the Issuer and the Issuer's Group are not subject to direct supervision by a national regulatory authority for Solvency II purposes. In the event of any change in the regulatory oversight of the Issuer and/or the Issuer's Group, which results in direct supervision of the Issuer and/or the Issuer's Group for Solvency II purposes (whether on a solo, group or consolidated basis), the Issuer and/or the Issuer's Group may be required to raise further capital in order to maintain the then applicable Minimum Capital Requirement and Solvency Capital Requirement. See "*Risk Factors – Risks relating to the structure of the Notes - Regulatory oversight and application of Minimum Capital Requirements and Solvency Capital Requirements to the Issuer, the Issuer's Group and/or the Solvency II Group*" and "*Regulation – Supervision*" for further details.

Copies of this Prospectus, including any supplements thereto (if any), are available, free of charge, at the Issuer's registered office at Barks väg 15, SE – 10680, Stockholm, Sweden.

Stabilisation

In connection with the issue of the Notes, Citigroup Global Markets Limited (the "**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) 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 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 Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Prospectus, including, in particular the risk factors described below and reach their own views prior to making any investment decision.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the risks of holding any Notes are exhaustive.

Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Prospectus and their personal circumstances.

Words and expressions defined in the Conditions or elsewhere in this Prospectus have the same meanings in this section.

A. RISKS RELATING TO THE ISSUER

Set out below is a brief description of certain factors which may affect the Issuer's ability to fulfil its obligations under or in connection with the Notes:

Risks related to the Issuer's insurance activities

1. ***The If Group may misprice risk or accept excessive risks, which may result in significant underwriting losses***

The If Group is in the business of underwriting risks. Underwriting risk is the risk that the cost of future and outstanding insurance claims will be higher than anticipated due to inadequate pricing, incorrect assumptions or random fluctuations in the frequency and/or size of claims or risk concentration.

The If Group's pricing models generally build on statistical evaluations and actuarial methods. Should the pricing models incorporate inaccurate methods (for example, failing to properly identify and assess the risk driving variables of insured customers and objects) or fail to function as intended (for example, due to poor or incorrect data), this could lead to adverse client selection and mispricing of the underwritten risk.

Cost inflation assumptions are important in the underwriting process. The extent of cost inflation risk is largely dependent on the type of product and business. For example, the property and motor hull insurances are sensitive to building cost inflation, prices of spare parts and repair cost. The cost of claims is thereby affected by changes in the cost of construction material, labour cost increases and to some extent foreign exchange rates for imported spare parts. The casualty business is exposed to medical and healthcare costs as well as legislative changes in respect of injury compensation. Should the If Group's estimation of cost inflation be inadequate, the premium indexation may be too low.

Furthermore, claim frequency can fluctuate heavily over time and may be difficult to account for. Amongst other things, changes in legislation and in terms and conditions may serve to increase claim frequencies.

The If Group is further exposed to risk concentrations, i.e. the risk of several insurance policies being affected by the same event or cause due to dependencies (for example, geographical

concentration or common vulnerabilities towards cyber threats). The If Group's processes to identify and mitigate these risk concentrations might fail, which could result in significant underwriting losses.

Should the If Group not be able to accept, price and manage the risks it underwrites in an appropriate manner, this could have a material effect on the If Group's business and financial condition, which could result in the Issuer no longer being able to meet its obligations under the Notes.

2. ***Adverse and extreme weather-related events and other catastrophic events may have a significant impact on the If Group's results***

The If Group's business is exposed to severe weather and catastrophic events such as windstorms, floods, snowstorms, fires, hail as well as man-made catastrophes such as acts of terrorism. Such events may not only affect the frequency and severity of insurance claims incurred by the If Group but could also adversely impact investment markets and cause declines in the value of the If Group's investment portfolio.

While the If Group seeks to reduce its exposure to such events through selective underwriting, large loss prevention, reinsurance and the monitoring of risk accumulations, these actions may not be adequate, and the timing and severity of catastrophic events is unpredictable by nature. A single severe catastrophe or multiple catastrophes in any one period could, where claims exceed the limits of applicable reinsurance purchased by the If Group, cause large losses and materially reduce the If Group's profitability or harm its financial position. Changes in weather and climate could change the frequency and severity of weather and catastrophic events in the future. In addition, catastrophic events could harm the financial condition of the If Group's reinsurers, and thereby decreasing the probability of reinsurance recoveries, and the financial condition of issuers of obligations that the If Group holds in its investment portfolio (thereby impairing those obligations).

The factors described above could have a material adverse effect on the If Group's business and financial conditions, which could result in the Issuer no longer being able to meet its obligations to investors under the Notes.

3. ***The If Group's claims provisions may not adequately cover actual claims. Technical provisions could further have a significant impact on the If Group's solvency position***

Claims are the If Group's principal expense and it could take many years before all claims that have occurred as at any given accounting period will be reported and settled. Provisions for outstanding claims are based on estimates of the expected cost of the ultimate settlement of claims and these may prove to be insufficient to cover the If Group's actual claims experience. The estimates are based on actuarial and statistical projections of facts and circumstances known at a given time, as well as estimates of trends in claims severity, and other variable factors, including new bases of liability and general economic conditions, and can change over time.

The diversity of the If Group's insurance risks can make it more difficult to identify individual judgments and assumptions that are more likely than others to have a material impact on the future development of its insurance liabilities. For example, the estimation of the provisions for the ultimate costs of liability, personal accident and illness is subject to a range of uncertainties that is generally greater than those encountered for other classes of business (e.g. motor hull or property) due to the slow emergence and longer settlement period for these claims.

In addition, as industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. Examples of emerging claims and coverage issues include: adverse changes in loss trends, judicial expansion of policy coverage, growth of claims culture, legislative or judicial action that affects policy coverage or interpretation and new cases of liability. The effects of emerging claims and coverage issues are inherently difficult to predict, but could require the If Group to extend coverage beyond its underwriting intent or result in an increase in either or both the frequency and the severity of claims.

In most countries in which the If Group operates (except Norway) compensation for loss of income due to personal injury is paid as an annuity. Annuities are common in Motor Third Party insurance and Workers' Compensation insurance and they make up a significant part of the If Group's liabilities. Annuities are mostly paid until the claimant dies, but with a lower amount after the claimant reaches pension age. The amounts to be paid are indexed yearly using statutory factors specific to each country but typically depending on an inflation index. The value of an annuity in the balance sheet is calculated as the present value of a future cash flow based on current assumptions about mortality and inflation, discounted with the current interest rate curve. Factors that could adversely affect the annuity reserve are increases in inflation, decreases in mortality and increases in pension age as well as lower interest rates. These factors could all have a material effect on the size of the claims provision and thereby on the reported result and the capital adequacy of the If Group.

To the extent claims provisions are insufficient to cover actual losses or loss adjusted expenses, the If Group would have to increase its claims provisions and incur a charge to the If Group's earnings. In addition, reserve strengthening or reserve releases can have a significant impact on reported results and period-to-period comparisons.

Technical reserves further effect the If Group's capital position and own funds under Solvency II. For the Solvency II claims reserve, the principal differences compared to the IFRS reserve is the addition of a risk margin to the best estimate of claims reserve and the calculation of all reserves as the present value of a future cash flow using a prescribed interest rate curve by currency. The risk margin is a consequence of the SCR calculation and will remain relatively stable unless the underlying business mix and risk factors change significantly. The major additional risk factor for the Solvency II claims reserve is a change of interest rate level, where lower interest rates give higher Solvency II reserves and lower own funds. The Solvency II premium reserve depends on assumptions about future profitability of accepted risks, and the major risk factor is a negative development in claims cost and expenses for accepted risk.

The If Group's results depend in large part upon the extent to which actual claims experience is consistent with the assumptions that it uses in setting its premiums and establishing its reserves. As a result, insufficient claims provisions may have a material adverse effect on the If Group's business and financial conditions. The If Group's capital position and own funds could further be significantly effected by changes in the Solvency II technical provisions, which could result in the Issuer no longer being able to meet its obligations under the Notes.

4. ***The If Group's profitability and financial condition may be impacted by the inability of the If Group to obtain sufficient reinsurance and/or by the failure of the If Group's reinsurers to meet their obligations***

The If Group transfers exposure to certain risks above a certain level through reinsurance arrangements. Reinsurance is utilised for the purpose of providing capital relief, protecting the If Group's capital against adverse outcomes of large claims and event losses (including, but not limited to, catastrophe risk) and to achieve tolerable result volatility aligned with an established risk tolerance level. External reinsurance programmes are purchased annually on an If Group-wide basis. In order to ensure that no legal entity within the If Group has an excessive risk level, intra-group reinsurance arrangements are used.

The If Group has reinsurance programmes in place for all major lines of business, including a group wide event programme. In addition, there are separate reinsurance programmes in place to cover specific risks, for example reinsurance for terrorism risks in the United States which is purchased due to the Terrorism Risk Insurance Act of 2002 and related legislation.

The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. While there is a relatively low probability that the If Group will be unable to obtain any reinsurance, were such risk materialise it would significantly increase the If Group's exposure to losses and may have a material adverse effect on the If Group's financial position, including the If Group's capital position. Furthermore, the If Group is exposed to the risk that the claims outcome might exceed the amount of reinsurance capacity purchased.

When reinsurance is obtained, the If Group is still liable for those transferred risks if the reinsurer does not meet its obligations. Counterparty risk related to reinsurers therefore arises through reinsurance receivables and through the reinsurers' portion of outstanding claims. Reinsurance recoverables is a significant credit risk to the If Group. Collectability of reinsurance is largely a function of the solvency of reinsurers, although the If Group is also exposed to disputes on, and defects in, contracts with its reinsurers, challenges to claims asserted against reinsurers as well as the possibility of default by its reinsurers.

The If Group, and insurers generally, are further exposed to concentration of risks within individual reinsurers, due to the nature of the reinsurance market, capacity constraints and the restricted range of reinsurers that have acceptable credit ratings. The If Group has in place limitations regarding approved reinsurers and their ratings, as well as limits relating to the single reinsurance counterparty exposure and counterparty exposure within a programme or captive retrocession.

A failure of, or deficiency in, the level of reinsurance cover, as well as the inability or refusal of a reinsurer to make payments under the terms of any of its agreements, could have a material adverse effect on the If Group's business, results of operations or financial condition. This may, in turn, result in the Issuer no longer being able to meet its obligations to investors under the Notes.

Risks related to the Issuer's financial position

1. *The If Group is exposed to risks in relation to its investments*

Investment returns are an important part in determining the If Group's overall profitability. Further, changes in the value of investment assets due to fluctuations in the financial markets could have a significant adverse effect on the If Group's financial position and capital adequacy. This could in turn result in the Issuer no longer being able to meet its obligations under the Notes.

Credit risk

Credit risk is an important factor for the If Group's fixed income security holdings. The If Group's exposure to credit spreads primarily relates to market price and cash flow variability associated with changes in credit spreads. A widening of credit spreads will generally reduce the value of fixed income securities that the If Group holds.

Credit default risk is the risk of loss that may arise from a borrower, issuer of bonds or counterparty failing to make required payments. The If Group is exposed to credit default risk through, amongst other things, holdings of fixed income instruments and loan advances. The credit default risk in the If Group's investment portfolios mainly arises from financial institutions and corporations in the Nordic region. The concentration towards Nordic financials and the financial market development is a potential risk with a high impact, however the likelihood for a substantial materialization of the concentration risk is considered low. The concentration risk is managed by taking into account the If Group's concentration exposure by industry sectors, products and creditworthiness when setting individual issuer-specific limits in the investment policy.

While the If Group adopts a prudent investment strategy, its fixed income investments nonetheless are exposed to credit risk, which may reduce the value of fixed securities that the If Group holds and negatively affect investment returns.

Equity risk

The If Group is exposed to changes in the market value of its equity portfolio. The portfolio consists mainly of direct investments in Nordic equities and shares in global funds, with the Nordic direct investments constituting the majority of the portfolio. The policy of the If Group is to have a diversified portfolio among industry sectors and geographic regions, and this is achieved primarily by investing in high-quality Nordic companies from different countries and industries that have global revenue streams. Further diversification is achieved by holding shares in global funds with non-Nordic focus. Equity investments are inherently risky and subject to individual company risk as well as general market risk and this may reduce the value of the equity portfolio of the If Group. In addition to that, the concentration towards Nordic equities is a potential source of risk. The concentration risk is being managed by taking into account the If Group's equity and credit risk

exposures to individual Nordic companies and industry sectors when setting limits in the investment policy.

Interest rate risk

Changes in prevailing interest rates may adversely affect the If Group's investment assets and net income. The majority of the If Group's investment assets are fixed-income securities; the bulk of which are denominated in SEK, EUR and NOK. When market interest rates rise, the balance sheet values of fixed income securities fall and this has an immediate impact on the If Group's equity capital and earnings.

Risks may also arise from a protracted period of low interest level in the financial markets which might affect the asset management performance. Investment income may be adversely effected as higher yielding fixed income securities are called, mature or are sold and the proceeds are reinvested at lower rates. Should the current level of interest rates be sustained or decline even further, this may adversely affect the financial position and net income of the If Group.

2. *The If Group is through its operations in several countries exposed to currency risk*

Currency risk refers to the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of currency exchange rates. Currency risk is a part of the If Group's normal business activities and investment decisions. Currency risk occurs in insurance activities where most of the written insurance policies are denominated in Scandinavian currencies and in Euros. This currency risk is reduced by matching technical provisions with investment assets in the corresponding currencies or by using currency derivatives. The currency exposure in the insurance operations is hedged to the base currency on a regular basis. The currency exposure in investment assets is controlled weekly and is hedged when the exposure reaches a specified level, which is set with respect to cost efficiency and minimum transaction size. Though the If Group hedges some of its currency exposure, such hedging transactions do not eliminate currency risk entirely and may not be fully effective. Currency risk arises also in investment management, where active currency positions are taken.

The If Group is also exposed to translation risk. Translation risk refers to currency risk that arises when consolidating the financial statements of foreign operations that have a different base currency than the Issuer in the If Group's financial statements. The major functional currencies other than Swedish kronor are Euro, Norwegian kroner and Danish kroner. Since the If Group presents its consolidated financial statements in Swedish kronor, the If Group's consolidated balance sheet and income statement may be affected by exchange differences between the Swedish kronor and the other functional currencies. The translation risk is not hedged and currency fluctuations could have a material effect on the If Group's financial statements and capital adequacy.

3. *Funding and liquidity risks are inherent in the If Group's operations*

Liquidity risk concerns the inability to realise investments and other assets in order to settle its insurance and other obligations when they fall due. Liquidity risk can be divided into market liquidity risk of investments and refinancing risk of debt.

Market liquidity risk is the risk that insurance undertakings are unable to realise investments and other assets in line with contracted liabilities. Market liquidity risk is reduced by placing certain amounts of investment in instruments generally considered to be liquid or with short maturities. However, if the If Group faces large-scale demands requiring immediate realisation of liquid assets, this could have a material adverse effect on its financial position.

The If Group is an issuer of subordinated debt in the capital markets. Refinancing risk is the risk that the If Group could face increased costs in relation to refinancing of this debt. The If Group's refinancing risk is related mainly to the credit rating of its debt. Should the credit rating of the If Group or any of its main operating companies drop to a level such that the investment guidelines or regulations applicable to key investors prohibit the holding of the If Group's securities, these investors might be forced to decrease their investments in the If Group, which, in turn, could lead to an increase in the cost of new funding or restrict the If Group's ability to obtain new funding.

The If Group's ability to access funding on favourable economic terms is further dependent on general market conditions. The capital and credit markets may be subject to periods of volatility and disruption which could affect the If Group's ability or cost of obtaining new funding.

Risks related to the Issuer's business activities and industry

1. ***The If Group could lose market share, incur losses or experience lower growth if unable to compete with other insurance companies, offer attractive products or respond to changing technology***

The If Group is exposed to changes in the behaviour of its customers and the markets in which it sells its insurance products. Changes in lifestyle, technology, regulation or taxation could significantly alter customers' actual or perceived need for insurance and the types of insurance sought. In order for the If Group to remain competitive and profitable, it needs to offer competitive and attractive products and services as well as a successful marketing approach and a suitable distribution strategy.

Changes in technology could give rise to the development of new distribution channels and changed claims processes, requiring further adaptation of the If Group's business and operations. Such changes could require the If Group to spend significant resources and incur significant expenditure to change its product offering, build new risk and pricing models and renew its IT systems and claims processes. Although the pace of internet adoption varies across markets, the If Group is seeing growing demand for online sales and services.

The If Group conducts insurance operations in Sweden, Norway, Finland, Denmark and the Baltic countries. Competition in the Nordic and Baltic P&C insurance markets has been intense in recent years. The Nordic P&C insurance markets have rather high entry barriers but from time to time new competitors enter the market. Competition is strong between the larger, established companies which hold a majority of the total Nordic P&C insurance market. Competitive pressure also comes from smaller companies and from new distribution channels such as web-based service models. Should the companies operating in the Nordic P&C insurance market become more focused on growth and market share and at the same time sacrifice profitability, this could have an adverse effect on both the If Group's insurance premium volume and/or its profitability.

The If Group's continuing profitability depends upon an adequate response to the types of competition outlined above. The If Group could lose market share, incur losses or experience lower growth if it is unable to offer competitive, attractive and innovative products that are also profitable, if it does not choose the right marketing approach, distribution strategy or if it fails to anticipate or successfully adapt to change. This could in turn result in the Issuer no longer being able to meet its obligations under the Notes.

2. ***The If Group has several major partner agreements, the loss of which would adversely affect If's sales volumes and impact profitability***

The If Group has many large partnerships with car brands and unions which are up for renewal with different time intervals. If the If Group is not able to provide services on competitive terms and thereby be an attractive insurance partner, If might lose some of these agreements. This would in turn affect premium levels and could have a significant effect on the If Group's profitability.

3. ***Macroeconomic development may impact premium levels and cause fluctuations in the If Group's result***

Macroeconomic development in Sweden, Norway, Finland, Denmark and the Baltic countries may impact on the If Group's business, as underwriting volumes and underwriting risks are affected by, for instance, GDP growth, new car sales volumes and employment. In some insurance segments, such as business interruption and cargo, the insured volume is dependent upon factors such as turnover or the amount of transported goods. Thus, a general decrease in corporate turnover or in the amount of transported goods, following a fall in GDP or a slowing in GDP growth, will have an adverse effect on the If Group's insurance premium volumes. Similarly, fewer new car sales have a negative effect on premium volumes in the motor segment, whereas premium income related to workers' compensation is impacted by employment rates.

4. ***The If Group is exposed to risks in relation to COVID-19 and other pandemics that disrupts economic activity***

The If Group's business is exposed to impacts resulting from COVID-19 and other pandemics that disrupts economic activity, globally or locally in the Nordic region. The main impact in the short run is the effect on the value of the If Group's investment assets. The risk is that equity assets and fixed income assets exposed to credit risk decrease in value following a repricing of risk in financial markets. The negative development in financial markets may in turn have a negative impact on the If Group's and the Sampo Group's solvency position, which can be further exacerbated by declining risk-free market interest rates and lower discount rates as risk-free assets increase in value. Significant uncertainty surrounding the short- and long-term economic effects of a pandemic can also create additional volatility in financial markets which might negatively affect the If Group's and the Sampo Group's result and financial position.

The If Group's underwriting result may also be impacted by a pandemic, but the effect is likely to be smaller and emerge over a longer time than the impact on the group's investment assets. In the short to medium run, increased claims from travel insurance (cancellation cover) and increased claims repair costs (broken supply chains) due to lockdown measures implemented to contain the spread of a pandemic are likely to be counterbalanced by reduced claims frequency, especially in motor, as mobility decreases in society. In the long run, the decline of the economies in the Nordic region following a pandemic is likely to have a negative impact on the If Group's gross written premium, especially in the business to business segment as customers will face cutbacks or even bankruptcy which will decrease their need of insurance cover. Also, in the private business segment gross written premium is likely to be adversely affected due to fewer car sales.

Furthermore, actions taken by supervisory authorities in relation to a pandemic could potentially impact the If Group's and the Sampo Group's business, including by limiting the If Group's and the Sampo Group's flexibility in relation to solvency, capital, liquidity, asset management and business strategy. For example, in April 2020 the European Insurance and Occupational Pensions Authority ("EIOPA") publicly urged insurers to suspend distributions to shareholders in the light of the COVID-19 outbreak. There is a risk that supervisory authorities could introduce additional guidelines, conditions or restrictions in relation to capital requirement, distributions and liquidity. Supervisory authorities may also interpret their own regulatory policies and expectations so as to require, or strongly encourage, payments to be made on policies in circumstances where payments would not otherwise be required under the contractual terms of the relevant policy, which could result in increased costs, substantial legal liabilities or significant regulatory action.

Operational risks

1. ***The If Group is exposed to risks from failed systems and other IT-related risks***

Operational risk is the risk of loss arising from inadequate or failed internal processes and systems, from human errors, or from external events. Each business area, as well as the corporate functions, of the If Group has responsibility for identifying, assessing, managing, monitoring and reporting operational risks within its various units.

The IT-related risk is an operational risk which include for example weaknesses in system functionality, leaked, lost, corrupted and/or misused data, poor data quality and cyber-disruptions. Large organisations, such as the If Group, could be targets for cybercrime, including through the hacking of its IT systems and/or through viruses. Mitigating activities are implemented such as IT-related controls, D-DOS protection services, data security solutions and business continuity planning.

The If Group is investing in large IT-development projects, mainly in If's core system, to minimise risks in the long-term perspective as well as to be able to meet future demands in an efficient and competitive way.

2. ***The If Group is dependent upon its employees***

The If Group's continued success depends upon its continuing ability to recruit and retain employees of suitable skill and experience, particularly those with financial, IT, underwriting,

actuarial, claims and other specialist skills, including appropriate regulatory expertise. The If Group competes with other financial services groups for skilled personnel, primarily on the basis of its reputation, financial position, remuneration policies and support services, and may incur significant costs to recruit and retain appropriately qualified individuals.

Compliance risks

1. *Regulatory compliance and regulatory changes*

Insurance is a highly regulated business with formal rules for minimum capital and capital structure and the If Group's business is subject to regulation in the jurisdictions in which it conducts business. Supervisory authorities have broad jurisdiction over many aspects of the If Group's business, which may include capital adequacy, data protection and privacy, marketing and selling practices, licences, policy terms and conditions, terms of business and permitted investments. The If Group is of the opinion that it complies with all current legal requirements. However, regulations and the interpretation of regulations by relevant authorities in countries in which the If Group operates may change, which could have a material adverse effect on the If Group's business, results of operations and/or financial condition.

Regulatory proceedings could result in adverse publicity for, or negative perceptions regarding, the If Group, as well as diverting management's attention and resources away from the day-to-day management of the business. A significant regulatory action against the If Group could have a material adverse effect on the business of the If Group, both in monetary terms and reputational consequences. Failure to comply with regulations can lead to the impositions of sanctions on the If Group or even revocation of permits.

2. *The If Group is subject to litigation risk*

There are a number of legal proceedings currently ongoing involving the If Group, arising in the ordinary course of its insurance business. An unfavourable outcome of potential future litigation could be costly and may, regardless of the outcome, divert management's attention away from the running of the business.

B. RISKS RELATING TO THE NOTES

Risks relating to the structure of the Notes

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

1. *The Notes are long-term securities*

The Notes are scheduled to be redeemed at their principal amount in June 2051 (the "**Maturity Date**"), **provided that** on such date that the Issuer is Solvent and will remain Solvent immediately after redemption, there is no suspension of redemption pursuant to Condition 6(b) (*Issuer suspension of redemption date*) and the preconditions to redemption set out in Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) are fulfilled, and **provided that** the prior approval of the Issuer Supervisor (if required) has been obtained. If this is not the case, the redemption of the Notes will be suspended (see "*In certain circumstances, redemption of the Notes must be suspended*" below).

The Issuer is under no obligation to redeem the Notes at any time before the Maturity Date, and the Noteholders have no right to call for their redemption.

2. *The Issuer's obligations under the Notes are subordinated*

The claims of Noteholders and Couponholders against the Issuer in respect of payments of principal, interest and other amounts (including, without limitation, Arrears of Interest and any damages awarded for breach of any obligations in respect of the Notes) on the Notes will, in the event of the Liquidation of the Issuer, be subordinated in right of payment to the claims of all Senior Creditors (as defined in the Conditions of the Notes) of the Issuer such that the Noteholders will not receive any amounts payable in respect of the Notes until the Senior Creditors have first been satisfied in full. Noteholders will also be subject to the provisions of the insolvency laws

applicable to the Issuer from time to time. In a Liquidation of the Issuer, it is very likely that the Noteholders may recover proportionately less than the holders of unsubordinated obligations of the Issuer or may recover nothing at all. Although subordinated notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a real risk that an investor in the Notes will lose all or some of his investment should the Issuer become insolvent.

3. ***Noteholders are structurally subordinated to the creditors of the Issuer's subsidiaries***

The Notes are the obligations of the Issuer alone. The Issuer's subsidiaries are separate and distinct legal entities with no obligation to pay, or provide funds in respect of, any amounts due and payable in respect of the Issuer's payment obligations under the Notes.

Payments on the Notes are structurally subordinated to all existing and future liabilities and obligations of the Issuer's subsidiaries. Claims of creditors of such subsidiaries will have priority as to the assets of such subsidiaries over the Issuer and its creditors, including the Noteholders. Neither the Conditions nor the Trust Deed contain any restrictions on the ability of the Issuer or its subsidiaries or associates to incur additional unsecured or secured indebtedness.

4. ***In certain circumstances, interest payments under the Notes may be optionally or mandatorily deferred***

In accordance with Condition 2(b) (*Subordination*), the interest payment obligations of the Issuer under the Notes are conditional upon the Issuer being Solvent at the time of payment, and still being Solvent immediately thereafter (the "**Solvency Condition**"). Other than in the event of the liquidation of the Issuer, no amount will be payable under or arising from the Notes or the Trust Deed except to the extent that the Issuer could make such payment in satisfaction of the Solvency Condition.

The Issuer shall be entitled to defer payment on any Interest Payment Date if (i) no distribution or dividend has been made on or in respect of any Junior Obligations or Parity Obligations, or (ii) (subject as set out in the Conditions) direct or indirect, redemption, repurchase or acquisition of any Junior Obligations or Parity Obligations has been made, during the six (6) months immediately preceding such Interest Payment Date and provided such Interest Payment Date is not a Mandatory Interest Deferral Date (as described below).

In accordance with Condition 4(b) (*Mandatory Deferral of Interest*), the Issuer must defer payment of interest accrued in respect of the Notes on any Mandatory Interest Deferral Date, being each Interest Payment Date in respect of which any event has occurred and is continuing, or would occur if a payment of interest was made, which under Solvency II and/or the Relevant Rules would require the Issuer to defer Interest Payments (or, if applicable, Arrears of Interest) in respect of the Notes and/or where the Issuer Supervisor has directly notified the Issuer in writing that such deferral of Interest Payments (or, if applicable, Arrears of Interest) in respect of the Notes is required. Any such deferral shall not constitute a default in respect of the Notes.

All deferred interest on the Notes shall constitute Arrears of Interest in accordance with Condition 4(c) (*Arrears of Interest*). Arrears of Interest do not themselves bear interest. After the Issuer has fully paid all deferred interest on the Notes, if the Notes remain outstanding, future interest payments on the Notes may be subject to further deferral as described above.

Any actual or anticipated deferral of interest payments is likely to have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the financial condition of the Issuer, the Issuer's Group or the Solvency II Group, or the cessation of applicable transitional measures under Solvency II.

5. ***In certain circumstances, redemption of the Notes must be suspended***

Any redemption of the Notes is conditional upon satisfaction of the Solvency Condition, the Issuer having received the prior approval of the Issuer Supervisor (if required), satisfaction of Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) and the relevant

proposed redemption date not being a Mandatory Redemption Suspension Date. A Mandatory Redemption Suspension Date is any date in respect of which any event has occurred and is continuing, or would occur if the payment of the relevant redemption amount was made, which under Solvency II and/or under the Relevant Rules would require the Issuer to suspend repayment or redemption of the Notes and/or where the Issuer Supervisor has directly notified the Issuer in writing that such suspension of repayment or redemption of the Notes is required.

Any actual or anticipated suspension of redemption is likely to have an adverse effect on the market value of the Notes and Noteholders may receive their investment back at a later point in time than initially expected. If the Notes are not redeemed on the Maturity Date due to the reasons set out above, Noteholders will (subject to any mandatory or optional deferral of interest payments) continue to receive interest but will not receive any additional compensation for the suspension of the redemption. In addition, as a result of the redemption suspension provision of the Notes, the market price of the Notes may be more volatile than the market price of other debt securities which are not subject to such suspensions and may be more sensitive generally to adverse changes in the financial condition of the Issuer, the Issuer's Group or the Solvency II Group, or the cessation of applicable transitional measures under Solvency II.

6. ***The Notes are subject to optional redemption, substitution or variation by the Issuer***

Subject to Conditions 6(b) (*Issuer suspension of redemption date*), Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*), having received the prior approval of the Issuer Supervisor (if required), and satisfaction of the Solvency Condition, the Issuer may, at its option, redeem the Notes (or substitute the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities) upon the occurrence of certain events, including an adverse change in tax consequences or a Capital Disqualification Event or a Rating Agency Event, as further described in Condition 6 (*Redemption, Purchase, Substitution and Variation*). In addition, subject to Conditions 6(b) (*Issuer suspension of redemption date*), 6(g) (*Preconditions to redemption, purchases, variation and substitution*), having received the prior approval of the Issuer Supervisor (if required) and satisfaction of the Solvency Condition, the Issuer may, at its option, redeem the Notes on any date from and including 17 March 2026 to and including 17 June 2026 and on any Interest Payment Date thereafter, as further described in Condition 6(d) (*Redemption, at the Option of the Issuer*). During any period when the Issuer may elect to, or is perceived to be able to, redeem the Notes, their market value generally will not rise substantially above the price at which they can be redeemed. See "*Floating Rate Notes and Interest rate risks*" for further information.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, it may be the case that an investor 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.

7. ***There are no events of default under the Notes***

The Conditions do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any principal, interest and/or other amounts when due, investors will not have any right of acceleration in respect of the Notes and no right to enforce such payment obligations.

8. ***Variation or substitution of the Notes without Noteholder consent***

Subject as provided in Condition 6 (*Redemption, Purchase, Substitution and Variation*), the Issuer may, at its option and without the consent or approval of Noteholders, elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities (i) in the event of certain changes in the tax treatment of the Notes or payments thereunder, (ii) following the occurrence of a Capital Disqualification Event, or (iii) following the occurrence of a Rating Agency Event.

Qualifying Tier 2 Securities are securities issued by the Issuer that have, inter alia, terms not materially less favourable to the Noteholders than the terms of the Notes (as reasonably determined

by the Issuer in consultation with an independent investment bank of international standing). There can be no assurance that, due to the particular circumstances of each Noteholder, any Qualifying Tier 2 Securities will be as favourable to each Noteholder in all respects or that, if it were entitled to do so, a particular Noteholder would make the same determination as the Issuer as to whether the terms of the relevant Qualifying Tier 2 Securities are not materially less favourable to Noteholders than the terms of the Notes. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequences suffered by any Noteholder).

9. ***Set-off risk***

Subject to applicable law, no Noteholder who shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed to the Issuer in respect of such indebtedness.

10. ***The Issuer's obligation to gross-up payments under the Notes is limited***

Pursuant to Condition 7 (*Taxation*), the Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of any Taxes imposed by or on behalf of a Relevant Jurisdiction applies only to payments of interest and not to payments of principal.

As such the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applies to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders will receive less than the full amount which would otherwise be due to them under the Notes and the market value of the Notes may be adversely affected.

11. ***Meeting of Noteholders, modification and waivers***

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

The Conditions also provide that the Trustee may, without the consent of the Noteholders or Couponholders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Trust Deed.

Risks relating to the Notes generally

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

1. ***Uncertainties remain in the manner in which Solvency II will be interpreted***

The defined terms in the Conditions will depend in some cases on the interpretation of Solvency II. The implementation of the Solvency II Directive in Finland and the "level two" implementation measures set out in Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, as amended by Regulation (EU) 2019/981 and further amended from time to time (the "**Solvency II Regulation**") entered into force on 1 January 2016.

There can be no assurance that the "level two" implementation measures and "level three" guidance will not be amended. Moreover, although the Solvency II Regulation is directly applicable in each Member State, the Solvency II Regulation leaves a number of interpretational issues to be resolved through binding technical standards that have been adopted, and will be adopted in the future, and leaves certain other matters to the discretion of regulators, including the Finnish Financial Supervisory Authority (in Finnish: *Finanssivalvonta*). There is therefore a degree of uncertainty as to how the Finnish Financial Supervisory Authority will interpret the Solvency II Directive as implemented in Finland, the "level two" implementation measures and/or "level three" guidance and apply them to the Solvency II Group or, the Issuer. In addition, as at the date of this Prospectus, Solvency II is subject to an on-going review by the European Union and currently the changes are expected to come into force in 2024. As a result, there is significant

uncertainty as to how Solvency II will evolve over the next few years and how it will affect the Issuer or the Solvency II Group.

Sampo plc from time to time undertakes direct investments, such as the investments in each of Enento Group Oyj, Nets A/S, Nordax Group AB (publ) ("**Nordax**"), Nordea Bank Abp, Norwegian Finans Holding ASA and Saxo Bank A/S, or acquisitions such as the recent acquisition of 70 per cent. of UK Property & Casualty insurance company Hastings Group Holdings Ltd (prior to delisting in November 2020 Hastings Group Holdings Plc, "**Hastings**"), which may also have an impact on the Solvency II Group's Solvency Capital Requirement and own funds. There can further be no assurance that the anticipated benefits from the acquisition of Hastings, or any other future acquisition, will be realized. Sampo Group may not achieve the growth in revenue or profitability that justify the Sampo Group's investment in Hastings, or any other future acquisition, which could have a material impact on Sampo Group's business and financial condition.

2. ***Changes to Solvency II or other applicable law or regulation may increase the risk of the deferral of interest payments, suspension of redemption or the occurrence of a Capital Disqualification Event***

Solvency II requirements adopted in Finland, whether as a result of further changes to Solvency II or changes to the way in which the Issuer Supervisor interprets and applies these requirements to the Issuer, the Issuer's Group and/or the Solvency II Group (as the case may be) may change. Any such changes, either individually and/or in aggregate, may lead to further unexpected requirements in relation to the calculation of the Solvency Capital Requirement and/or Minimum Capital Requirement, and such changes may make the applicable regulatory capital requirements more onerous. Such changes that may occur in the application of Solvency II in Finland subsequent to the date of this Prospectus and/or subsequent changes to such rules and other variables may individually or in aggregate negatively affect the calculation of the Solvency Capital Requirement and/or Minimum Capital Requirement and thus increase the risk of deferral of interest payments, suspension of redemption, or, alternatively, trigger a Capital Disqualification Event and subsequent redemption of the Notes by the Issuer.

Additionally, the Issuer may be required to raise further capital pursuant to applicable law or regulation or the official interpretation thereof in order to maintain the then applicable Minimum Capital Requirement and Solvency Capital Requirement.

Changes to Solvency II requirements may also increase the likelihood of a Capital Disqualification Event and subsequent early redemption of the Notes by the Issuer. A Capital Disqualification Event will occur if, as result of any replacement of or change to (or change to the interpretation of) the Relevant Rules after the Issue Date, the whole or any part of the Notes are no longer capable of counting as (i) cover for capital requirement or treated as own funds applicable to the Issuer, the Issuer's Group and/or the Solvency II Group (as appropriate) (whether on a solo, group or consolidated basis) or (ii) Tier 2 Capital for the purposes of the Issuer, the Issuer's Group and/or the Solvency II Group (as appropriate) (whether on a solo, group or consolidated basis). Therefore, a Capital Disqualification Event would occur if, as a result of changes to the Solvency II requirements as described above, only part of the principal amount of the Notes qualifies as Tier 2 Capital of the Issuer, the Issuer's Group and/or the Solvency II Group (as appropriate).

3. ***Regulatory oversight and application of Minimum Capital Requirements and Solvency Capital Requirements to the Issuer, the Issuer's Group and/or the Solvency II Group***

As of the date of this Prospectus, events which may give rise to a Capital Disqualification Event, a Regulatory Deficiency Interest Deferral Event and a Regulatory Deficiency Redemption Suspension Event (each of which may lead to an optional early redemption of the Notes, or a mandatory deferral of interest payments or suspension of redemption under the Notes, as the case may be) apply in relation to the Solvency II Group only and not to the Issuer or the Issuer's Group.

As of the date of this Prospectus, the Solvency II Group is constituted by the Sampo Group, which is a larger group than the Issuer or the Issuer's Group. Therefore, the level of own funds, the Solvency Capital Requirement and Minimum Capital Requirement of the Solvency II Group is dependent upon the performance and capital requirements of several other companies in the Solvency II Group, in addition to the Issuer and the Issuer's Group.

Currently, the Solvency II Group is subject to regulation by the Financial Supervisory Authority in Finland (*Fi. Finanssivalvonta*) and for Solvency II purposes, neither the Issuer nor the Issuer's Group is subject to direct supervision by a national regulatory authority. Individual operating members of the Issuer's Group are subject to direct supervision by national regulatory authorities (see "*Regulation – Supervision*"). In the event that in the future, the regulatory oversight of the Issuer and/or the Issuer's Group changes such that the Issuer and/or the Issuer's Group are subject to direct supervision by a national regulatory authority for Solvency II purposes, then pursuant to the terms of the Notes, from such time a Capital Disqualification Event, a Regulatory Deficiency Interest Deferral Event or a Regulatory Deficiency Redemption Suspension Event shall also apply at the level of the Issuer and/or the Issuer's Group, which will be a smaller regulatory group than the Solvency II Group.

In the event of any change in the regulatory oversight of the Issuer and/or the Issuer's Group, which results in direct supervision of the Issuer and/or the Issuer's Group for Solvency II purposes (whether on a solo, group or consolidated basis), the Issuer and/or the Issuer's Group may be required to raise further capital in order to maintain the then applicable Minimum Capital Requirement and Solvency Capital Requirement.

In addition, any changes to the Solvency II Group structure for example due to a reorganisation, disposal, acquisition or restructuring may affect the regulatory requirements currently applicable to the Solvency II Group and therefore may give rise to a Capital Disqualification Event, a Regulatory Deficiency Interest Deferral Event and a Regulatory Deficiency Redemption Suspension Event.

4. ***The Solvency Capital Requirement ratio and the Minimum Capital Requirement ratio will be affected by the Issuer's, the Issuer's Group's and the Solvency II Group's business decisions and, in making such decisions, the Issuer's and/or the Issuer's Group's and/or the Solvency II Group's interests may not be aligned with those of the Noteholders***

The Solvency Capital Requirement ratio and Minimum Capital Requirement ratio could be affected by a number of factors. It will also depend on the Issuer's, the Issuer's Group's or the Solvency II Group's decisions relating to their businesses and operations, as well as the management of their capital position. None of the Issuer, the members of the Issuer's Group or the members of the Solvency II Group will have any obligation to consider the interests of the Noteholders in connection with the strategic decisions of the Issuer, the Issuer's Group or of the Solvency II Group, including in respect of capital management. Noteholders will not have any claim against the Issuer or any other member of the Issuer's Group or the Solvency II Group relating to decisions that affect the business and operations of the Issuer, the members of the Issuer's Group or the Solvency II Group, including their capital position. Such decisions could cause Noteholders to lose all or part of the value of their investment in the Notes.

5. ***No limitation on issuing further debt***

There is no restriction on the amount of debt which the Issuer may issue ranking equal or senior to the obligations under or in connection with the Notes. Such issuance of further debt may reduce the amount recoverable by the Noteholders upon insolvency or winding-up of the Issuer or may increase the likelihood that payments of the principal amount or interest under the Notes will be mandatorily suspended or deferred or may, in the case of interest payments, be deferred at the option of the Issuer.

In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that the Issuer and its subsidiaries may pledge its or their assets to secure other obligations without granting similar security in respect of the Notes.

6. ***Change of law***

The Conditions are based on English and Swedish law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English or Swedish law or administrative practice after the date of this Prospectus.

7. ***Integral multiples of less than SEK 2,000,000***

The denomination of the Notes is SEK 2,000,000 and integral multiples of SEK 1,000,000 in excess thereof. Accordingly, it is possible that the Notes may be traded in amounts that are not integral multiples of SEK 2,000,000. In such a case, a holder who, as a result of such trading, holds an amount which is less than SEK 2,000,000 in his account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts SEK 2,000,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination which is not an integral multiple of SEK 2,000,000 may be illiquid and difficult to trade.

8. ***Regulation and reform of "benchmarks" could adversely affect the Notes***

Rates and indices which are deemed to be "benchmarks", such as STIBOR, are the subject of ongoing national, international and other regulatory guidance and proposals for reform, with further changes anticipated. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. The Benchmark Regulation could have a material impact on any Notes linked to a "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. 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 the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete. As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and on 5 March 2021 confirmed that most LIBOR tenors would cease to be representative benchmarks immediately after 31 December 2021 (in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month U.S. dollar settings) and 30 June 2023 (in the case of the remaining U.S. dollar settings). These announcements indicate that LIBOR will not continue in its current form and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin. The potential elimination of benchmarks, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of the Notes and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, payments that would have been made on those securities if the relevant benchmark was available in its current form.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. The Stockholm interbank offered rate is in the process of reform to comply with the requirements of the Benchmark Regulation, and it is uncertain how long it will continue in its current form or whether it will be replaced with risk free rates or other alternative benchmarks.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the STIBOR benchmark or any other benchmark or changes in the manner of administration of any benchmark or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes linked to such benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the Notes, the return on the Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if the Screen Rate and any page on which the Screen Rate may be published (or any successor service) becomes unavailable, or if the Issuer or the Agents are no longer permitted lawfully to calculate interest on any Notes by reference to such benchmark. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative reference rate with or without an adjustment spread and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser) without any requirement for the consent or approval of Noteholders, as described in Condition 3(h) (*Benchmark Replacement*). An adjustment spread, if applied could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a successor rate or alternative reference rate may nonetheless be used to determine the rate of interest. The use of a successor rate or alternative reference rate (including with the application of an adjustment spread) will still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower rate of interest) than they would if the benchmark were to continue to apply in its current form. If, following the occurrence of a Benchmark Event: (i) the Issuer is unable to appoint an independent advisor; (ii) no successor rate or alternative rate is determined; or (iii) in the Issuer's determination, the determination or implementation of a successor rate, an alternative reference rate, the applicable adjustment spread or any consequential amendments could reasonably be expected to, in respect of the Notes, prejudice their qualification as Tier 2 Capital of the Solvency II Group, Issuer's Group and/or the Issuer, then the ultimate fallback rate of interest for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for the Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. No successor rate or alternative reference rate will be adopted to the extent that it could reasonably be expected to result in the Notes ceasing to be eligible, in whole or in part, to qualify for inclusion in the Tier 2 Capital of the Solvency II Group, Issuer's Group or the Issuer (as the case may be).

Any such consequences could have a material adverse effect on the value of and return on the Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should consider these matters and consult their own independent advisers when making their investment decision with respect to the Notes.

9. ***Potential Conflicts of Interest***

All or some of the Joint Lead Managers and, as the case may be, the Agent Bank and their respective affiliates (including their parent companies) have and/or may in the future engage, in investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer or other member of the Issuer's Group, or the Solvency II Group and in relation to

securities issued by any of them. They have or may, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Issuer or other member of the Issuer's Group, or the Solvency II Group or (iii) act as financial advisers to the Issuer or other member of the Issuer's Group, or the Solvency II Group. In the context of these transactions, certain of such Joint Lead Managers have or may hold shares or other securities issued by entities of the Issuer or other member of the Issuer's Group, or the Solvency II Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer or other member of the Issuer's Group, or the Solvency II Group, routinely hedge their credit exposure to the Issuer or other member of the Issuer's Group, or the Solvency II Group consistent with their customary risk management policies. Typically, such Joint Lead Managers 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. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers 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.

Each of the Issuer or other member of the Issuer's Group, or the Solvency II Group, and the Joint Lead Managers may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the Agent Bank and the Noteholders, including with respect to certain discretionary determinations and judgments that such Agent Bank may make pursuant to the Conditions that may influence the amount receivable upon redemption of the Notes. In particular, whilst the Agent Bank will have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

10. ***Enforceability of judgments***

The UK left the European Union on 31 January 2020 ("**Brexit**") and the transitional period agreed in the withdrawal agreement expired on 31 December 2020 during which EU law continued to apply to the UK. 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 English court judgments).

Further the UK is no longer party to the Lugano Convention under which judgments from the courts of contracting states (currently the European Union, plus Switzerland, Iceland and Norway) are recognised and enforced in other contracting states. In its White Paper from July 2018, the UK Government stated that it will seek to participate in the Lugano Convention on leaving the European Union, which would mean English judgments would once again be recognised and enforced in Sweden (and other contracting states). In the same White Paper, the UK Government also stated it will seek a new bilateral agreement with the EU27 concerning cooperation in the area of civil justice including arrangements for the continued mutual recognition and enforcement of judgments. However, no such agreement has yet been reached and there can be no assurances as to the terms of any final agreement.

As a result, any English court judgments in an action brought on or after 1 January 2021 will not be enforceable in Sweden without a retrial on its merits (but may serve as a matter of evidence before the courts of law, administrative tribunals or executive or other public authorities in Sweden). Hence, unless the UK ratifies the Lugano Convention or an agreement is reached

between UK and the EU27, a judgment entered against the Issuer in an English court will not be recognised or enforceable in Sweden as a matter of law without a re-trial on its merits.

11. Risks relating to the market generally

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

1. *Credit ratings may not reflect all risks*

The Notes are expected to be rated BBB+ by S&P. S&P is established in the European Economic Area and registered under the EU CRA Regulation and is, as of the date of this Prospectus, included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. The rating S&P has given to the Notes is endorsed by S&P Global Ratings UK Limited which is established in the UK and registered under the UK CRA Regulation. The rating may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes. In addition, rating agencies other than S&P could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by S&P, those unsolicited ratings could have an adverse effect on the value and the marketability of the Notes.

2. *Floating Rate Notes and Interest rate risks*

The Notes will bear interest at a floating rate from and including the Issue Date. In each case, the floating rate applicable to the Notes is based on two components, namely the 3-months STIBOR and the Margin. The floating rate (i.e. the coupon) is payable quarterly and will be set immediately prior to any floating Interest Period to the then prevailing 3-months STIBOR rate plus the Margin. The Margin is fixed at the time of issuance of the transaction.

Noteholders should be aware that the floating rate interest risk is subject to changes to the 3-months STIBOR and therefore cannot be anticipated. Hence, Noteholders are not able to determine a definite yield of the Notes at the time of purchase, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments.

Since the Margin is fixed at the time of issuance of the transaction, Noteholders are subject to the risk that the Margin does not reflect the spread that investors require in addition to the 3-months STIBOR as a compensation for the risks inherent in the Notes (market spread). The market spread typically changes on a daily basis. As the market spread changes, the price of the Notes changes in the opposite direction. A decrease in the market spread has a positive impact on the price of the Notes; an increase in the market spread has a negative impact on the price of the Notes. However, the price of the Notes is subject to changes in the market spread, changes in the 3-months STIBOR or both. Noteholders should be aware that movements in the market spread can adversely affect the price of the Notes and can lead to losses for the Noteholders.

In addition, Noteholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the Issuer. If the market yield (or market spread respectively) declines, and if Noteholders want to invest such proceeds in comparable transactions, Noteholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spreads respectively).

3. *The market value of the Notes could decrease if the creditworthiness of the Issuer, the Issuer's Group or the Solvency II Group worsens*

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, for example, because of the materialisation of any of the risks regarding the Issuer, the Issuer's Group or the Solvency II Group, the market value of the Notes may suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due has not actually decreased, market participants could nevertheless have a different perception.

In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer, the Issuer's Group or the Solvency II Group could adversely change. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of the aforementioned risk. Under these circumstances, the market value of the Notes may decrease.

4. ***There is no active trading market for the Notes***

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer or other members of the Issuer's Group, or the Solvency II Group. Although applications have been made for the Notes to be admitted to listing on the official list and trading on the Luxembourg Stock Exchange's regulated market, there is no assurance that such applications will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

5. ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in Swedish Krona. 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 Swedish Krona. These include the risk that exchange rates may significantly change (including changes due to devaluation of Swedish Krona 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 Swedish Krona would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

6. ***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg 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 the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

C. RISKS RELATING TO TAXATION

Set out below is a brief description of certain risks relating to taxation, generally:

1. ***OECD Action Plan on Base Erosion and Profit Shifting***

Fiscal and taxation policy and practice is constantly evolving and recently the pace of change has increased due to a number of developments. In particular, a number of changes of law and practice are occurring as a result of the OECD Base Erosion and Profit Shifting project ("**BEPS**"). Investors should note that certain action points which form part of the OECD BEPS project (such as Action 2 on hybrid mismatches (see below) or Action 6 on the prevention of treaty abuse) may be implemented in a manner which may affect the tax position of the Issuer.

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of a number of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive 1**") on 12 July 2016.

The EU Council adopted Council Directive (EU) 2017/952 (the "**Anti-Tax Avoidance Directive 2**") and, together with the Anti-Tax Avoidance Directive 1, the "**Anti-Tax Avoidance Directives**") on 29 May 2017, amending the Anti-Tax Avoidance Directive 1, to provide for minimum standards for counteracting hybrid mismatches involving EU member states and third countries. The Anti-Tax Avoidance Directives contain various measures that could potentially result in certain payments made by the Issuer ceasing to be fully deductible for tax purposes. This could increase the Issuer's liability to tax and reduce the amounts available for payments on the Notes.

For example, the Anti-Tax Avoidance Directive 1 (as amended by the Anti-Tax Avoidance Directive 2) also contains rules relating to so-called hybrid mismatch. EU member states had until 31 December 2019 to implement the Anti-Tax Avoidance Directive 2 (except for measures relating to reverse hybrid mismatches, which must be implemented by 31 December 2021).

These rules are designed to neutralise arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities or twice within the same legal entity. These rules could potentially apply to the Issuer for example where: (i) the interest that it pays under the Notes, and claims deductions from its taxable income for, is not brought into account as taxable income by the relevant Noteholder, either because of the characterisation of the Notes, or the payments made under them, or because of the characterisation of the Issuer in the country of residence of the Noteholder, or because of the nature of the Noteholder itself; and (ii) the mismatch arises between associated enterprises, between the Issuer and an associated enterprise or under a structured arrangement. In some situations the rules could also affect the taxation in the country of the relevant Noteholder.

Sweden has implemented the hybrid mismatch rules. The rules extended the previously existing hybrid mismatch rules and states that the existing provisions on prohibition of deduction of interest expenses in certain cross-border situations should cover more situations compared to the previous hybrid rules (i.e. not only interest expenses). The legislation entered into force as of 1 January 2020. The impact on the Issuer's tax position, if any, is as of today uncertain, as the impact may depend on the tax treatment at the level of the relevant Noteholder.

2. ***Changes in tax legislation may result in adverse tax consequences for the If Group***

Tax rules, including those relating to the insurance industry, and their interpretation, may change, possibly with retrospective effect, in any of the jurisdictions in which the If Group operates. Significant tax disputes with tax authorities, and any change in the tax status of any member of the If Group or in taxation legislation or its scope or interpretation could increase the tax burden of the If Group and could have a negative effect on the financial position and the net result. In particular:

- Significant additional tax liabilities of the If Group may arise from inaccurate estimates as to tax provisions, tax refund claims, tax reserves and deferred tax items. In addition, (partial) non-recognition of technical reserves for tax purposes could lead to additional tax liabilities. Further, changes in corporate tax rates might affect the value of deferred tax assets and liabilities.
- Internal restructurings within the If Group can subject the If Group to unanticipated tax problems. Tax authorities and/or tax courts could classify certain restructuring measures in a

manner which results in additional tax liabilities or the loss of other tax benefits for the If Group.

3. ***Taxation***

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred to other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors cannot rely upon such tax overview contained in this Prospectus but should ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, disposal and redemption of the Notes. Only this adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

INFORMATION INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CSSF contain the following information that shall be deemed to be incorporated by reference in, and form part of, this Prospectus:

- (a) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 2019 as contained in the Issuer's Annual Report 2019 (available at https://sampo-annualreports.studio.crasman.fi/file/dl/i/bKOP_g/TqeXOO_rsQqaU8f81DJkdA/if_annual_report_2019.pdf):

Income Statement	Pages 10 to 11
Balance Sheet	Pages 12 to 13
Cash flow statements	Page 17
Notes	Pages 18 to 80
Audit report	Pages 81 to 83

- (b) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 2018 as contained in the Issuer's Annual Report 2018 (available at https://sampo-annualreports.studio.crasman.fi/file/dl/i/mJp0jg/npgsnKo45cRZ03jsNeynDQ/if_annual_report_2018.pdf):

Income Statement	Pages 10 to 11
Balance Sheet	Pages 12 to 13
Cash flow statements	Page 17
Notes	Pages 18 to 77
Audit report	Pages 78 to 81

- (c) the audited consolidated annual financial statements of Sampo plc for the financial year ended 2019 as contained in Sampo plc's Annual Report 2019 (the "**Sampo 2019 AR**") (available at https://sampo-annualreports.studio.crasman.fi/file/dl/i/4p1e7w/uCoHA9p4iYK93A_ju-1ww/BoardofDirectorsReportandFinancialStatements.pdf):

Income Statement	Page 39
Balance Sheet	Page 40
Cash flow statements	Page 42
Notes	Pages 43 to 166
Audit report	Pages 179 to 184

- (d) the audited consolidated annual financial statements of Sampo plc for the financial year ended 2018 as contained in Sampo plc's Annual Report 2018 (available at https://sampo-annualreports.studio.crasman.fi/file/dl/i/eKTEyQ/v4ugZ1g_eDC8qITM0Cr3Jg/BoardofDirectorsReportandFinancialStatements.pdf):

Income Statement	Page 39
Balance Sheet	Page 40
Cash flow statements	Page 42
Notes	Pages 43 to 164
Audit report	Pages 177 to 181

- (e) the reviewed and unaudited six months 2020 financial statement release of the Issuer for the period of January-June 2020 (the "**Issuer's Q2s**") (available at <https://www.if.se/globalassets/se/dokument/if/rapporter/if-holding-delarsrapport-2020-eng.pdf>); and

Income Statement	Pages 6 to 7
Balance Sheet	Pages 8 to 9
Cash flow statements	Page 11
Notes	Pages 15 to 19

- (f) the unaudited 2020 financial statement release for the period of January-December 2020 (the "**Sampo Q4s**") available at <https://www.sampo.com/globalassets/arkisto/taloudelliset->

[raportit/2020/q4/sampo_2020_en.pdf](#), which have been compiled and prepared on a basis which are comparable with the Sampo 2019 AR and consistent with Sampo plc's accounting policies.

Sampo Group's results for 2020.....	Pages 3 to 4
Group CEO's Comment	Page 5
Fourth quarter 2020 in brief.....	Page 6
Effects of Covid-19 on Sampo Group.....	Pages 7 to 8
Business areas.....	Pages 9 to 16
Other developments.....	Pages 17 to 20
Outlook.....	Page 21
Dividend proposal	Pages 22 to 23
Group financial review	Pages 24 to 25
Calculation of key figures.....	Pages 26 to 27
Group quarterly comprehensive income statement.....	Page 28
Statement of profit and other comprehensive income, IFRS.....	Page 29
Consolidated balance sheet, IFRS.....	Page 30
Statement of changes in equity, IFRS.....	Page 31
Statement of cash flows, IFRS	Page 32
Notes	Pages 33 to 37
Other Notes	Pages 38 to 57

Any information contained in or incorporated by reference in any of the documents specified above which is not included in the cross-reference table in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

The page numbers set out in the tables above refer to the page numbers of the PDF copies of such documents which are available as described below.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the website of the Luxembourg Stock Exchange (www.bourse.lu) or at the Issuer's website (<https://www.sampo.com/investors/debt-instruments/if/>). Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this base prospectus, information contained on the website does not form part of this Prospectus. Unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes (the "Conditions") which (subject to completion and amendment) will be endorsed on each Note in definitive form (if issued):

The SEK 1,500,000,000 Floating Rate Dated Subordinated Notes due June 2051 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) of If P&C Insurance Holding Ltd (publ) (the "**Issuer**") are constituted by a Trust Deed dated 17 March 2021 (the "**Trust Deed**") made between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**", which expression shall include its successor(s)) as trustee for the holders of the Notes (the "**Noteholders**", which expression shall, unless the context otherwise requires, include the Couponholders) and the holders of the interest coupons appertaining to the Notes (the "**Couponholders**" and the "**Coupons**" respectively, which expressions shall, unless the context otherwise requires, include the talons for further interest coupons (the "**Talons**") and the holders of the Talons).

The statements in these Conditions include an overview of, and are subject to, the detailed provisions of and definitions in the Trust Deed and the Agency Agreement. Copies of the Trust Deed and the Agency Agreement dated 17 March 2021 (the "**Agency Agreement**") made between the Issuer, Citibank N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor thereto) and the other paying agents appointed thereunder from time to time and any successors thereto (together with the Principal Paying Agent, the "**Paying Agents**"), Citibank N.A., London Branch as calculation agent or agent bank (the "**Agent Bank**", which expression shall include any successor thereto and together with the Principal Paying Agent and the Paying Agents, the "**Agents**") and the Trustee are available for inspection during normal business hours by the Noteholders and the Couponholders at the specified office of each of the Agents. The Noteholders and the Couponholders 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 Agency Agreement applicable to them.

1. **Form, Denomination and Title**

The Notes are in bearer form, serially numbered, in the denominations of SEK 2,000,000 and integral multiples of SEK 1,000,000, each with Coupons attached on issue. Notes of one denomination may not be exchanged for Notes of any other denomination. Title to the Notes and to the Coupons will pass by delivery. The Issuer, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership thereof or writing thereon, or any notice of loss or theft or of any trust or interest therein) and shall not be liable for so treating such bearer of any Note.

2. **Status and Subordination**

- (a) *Status:* The Notes and Coupons constitute, in the case of the Notes, dated and, in the case of the Notes and the Coupons, direct, unsecured and subordinated obligations of the Issuer, conditional as described below, and (together with any damages awarded for breach of any obligations in respect of the Notes) in the event of the Liquidation of the Issuer rank: (i) junior to Senior Creditors; (ii) *pari passu* without any preference among themselves and among Parity Obligations outstanding from time to time (whether actual or contingent); and (iii) senior to all classes of Junior Obligations.
- (b) *Subordination:* The right to payment in respect of the Notes and the Coupons is subordinated in the event of the Liquidation of the Issuer and (except in the event of the Liquidation of the Issuer) all payments of principal and interest by the Issuer in respect of the Notes and the Coupons are conditional upon the Issuer being Solvent at the time of payment and immediately thereafter (the "**Solvency Condition**") and (except as aforesaid) no principal or interest shall be payable in respect of the Notes or the Coupons except to the extent that the Issuer could make such payment in whole or in part, rateably with the payments in respect of Parity Obligations, and still be Solvent immediately thereafter.

The payment of interest on the Notes is also subject to the provisions of Condition 4(a) (*Optional Deferral of Interest*) and Condition 4(b) (*Mandatory Deferral of Interest*) and

the payment of principal on the Notes is also subject to the provisions of Condition 6(b) (*Issuer suspension of redemption date*).

The provisions of this Condition 2 (*Status and Subordination*) apply only to the principal and interest in respect of the Notes and nothing in this Condition 2(b) (*Subordination*) 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.

- (c) *No Set-off*: No Holders of Notes or Coupons who shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed to the Issuer in respect of such indebtedness.

3. Interest

- (a) *Interest Payment Dates*: The Notes bear interest on their outstanding principal amount from and including the Issue Date, payable (subject as provided below) quarterly in arrear on 17 June, 17 September, 17 December and 17 March in each year commencing on 17 June 2021 (each an "**Interest Payment Date**"). If any Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Whenever it is necessary to calculate an amount of interest in respect of the Notes for a period, such interest shall be calculated on the basis of the actual number of days in the relevant period divided by 360 and otherwise in accordance with Condition 3(d) (*Determination of Rate of Interest and Interest Amount*) below. The Interest Payment to each Noteholder shall be rounded to the nearest öre, half an öre being rounded upwards, or otherwise in accordance with applicable market convention.

- (b) *Interest Accrual*: Each Note will cease to bear interest from and including its due date for redemption (which due date shall, in the case of suspension of a redemption date in accordance with Condition 6(b) (*Issuer suspension of redemption date*), be the latest date to which redemption of the Notes is so suspended) unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused, in which event interest shall continue to accrue as provided in the Trust Deed.
- (c) *Interest Rate*: The rate of interest payable from time to time in respect of the Notes (the "**Rate of Interest**") will be determined on the basis of the following provisions:
 - (i) the Rate of Interest for the Interest Period shall be the Screen Rate plus the Margin. On each Interest Determination Date, the Agent Bank will determine the Screen Rate at approximately 11.00 a.m. (Stockholm time) on that Interest Determination Date;
 - (ii) if the Screen Rate does not appear on that page or if the Relevant Screen Page is unavailable, the Agent Bank will:
 - (A) request the principal Stockholm office of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Swedish Krona are offered by it to prime banks in the Stockholm interbank market for three months at approximately 11.00 a.m. (Stockholm time) on the Interest Determination Date in question and for a Representative Amount; and
 - (B) determine the arithmetic mean of such quotations; and
 - (iii) if fewer than two such rates are provided as requested, the Agent Bank will determine the arithmetic mean of the rates (being the nearest to the Screen Rate, as determined by the Agent Bank) quoted by the principal Stockholm office of major banks, selected by the Issuer, at approximately 11.00 a.m. (Stockholm time) on the first day of the relevant Interest Period for loans in Swedish Krona to

leading Stockholm banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in the market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however*, that if the Agent Bank is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to a relevant Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the relevant Margin applying to such Interest Period and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of the preceding Interest Period.

- (d) *Determination of Rate of Interest and Interest Amount:* In respect of each Interest Period, the Agent Bank shall, as soon as practicable after 11.00 a.m. (Stockholm time) on each Interest Determination Date determine the Swedish Krona amount (the "**Interest Amount**") payable in respect of interest on each Note for the relevant Interest Period. The Interest Amount shall be determined by applying the Rate of Interest to the Calculation Amount, multiplying the sum by the Day Count Fraction, rounding the resultant figure to the nearest öre (half an öre being rounded upwards, or otherwise in accordance with applicable market convention) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount.
- (e) *Publication of Rate of Interest and Interest Amount:* The Agent Bank shall cause the Rate of Interest and the Interest Amount for each Interest Period and the relative Interest Payment Date to be notified to the Issuer, the Paying Agents and the Trustee (by no later than the first day of each Interest Period) and to be published in accordance with Condition 11 (*Notices*) as soon as possible after their determination, and in no event later than the second Business Day thereafter. The Issuer will in turn deliver or procure to be delivered any such notices to any stock exchange or other relevant authority on which the Notes are at the relevant time listed no later than the first day of the relevant Interest Period if and to the extent required by applicable law and or listing rules. The Interest Amount and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Calculation Amount is less than the minimum denomination, the Agent Bank shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum denomination.
- (f) *Notifications, etc. to be final:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 (*Interest*), whether by the Reference Banks (or any of them), the Agent Bank or the Trustee (or its agent), shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Agent Bank, the Paying Agents and all Noteholders and Couponholders and (in the absence of the Reference Banks', the Agent Bank's or the Trustee's, as applicable, own gross negligence, fraud or wilful default) no liability to the Issuer, or the Noteholders or the Couponholders shall attach to the Reference Banks (or any of them), the Agent Bank or, if applicable, the Trustee (or its agent) in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 3 (*Interest*).
- (g) *Agent Bank:* The Issuer shall procure that, so long as any of the Notes remains outstanding (as defined in the Trust Deed), there is at all times an Agent Bank for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Rate of Interest and the Interest Amount for any Interest Period, the Issuer shall, subject to the prior written approval of the Trustee, appoint the Stockholm office of another major bank engaged in the Stockholm interbank market to act in its place. The Agent Bank may resign its duties without a successor having been appointed however; such resignation will only take effect upon appointment of a successor. The Agent Bank may not be removed without a successor having been appointed.

- (h) *Benchmark Replacement*: In addition, notwithstanding the provisions in Conditions 3(c) (*Interest Rate*) or 3(d) (*Determination of Rate of Interest and Interest Amount*) above, if a Benchmark Event occurs, then the following provisions shall apply.

(i) *Independent Adviser*

The Issuer shall notify the Agents and shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate following consultation with an Independent Adviser (as defined below), failing which an Alternative Reference Rate (in accordance with Condition 3(h)(ii) (*Successor Rate or Alternative Reference Rate*)) and, in either case, an Adjustment Spread, if any, (in accordance with Condition 3(h)(iii) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 3(h)(iv) (*Benchmark Amendments*)).

An Independent Adviser appointed pursuant to this Condition 3(h) (*Benchmark Replacement*) shall act in good faith and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Agents, the Trustee or the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with to the operation of this Condition 3(h) (*Benchmark Replacement*).

(ii) *Successor Rate or Alternative Reference Rate*

If the Issuer, following consultation with the Independent Adviser and acting in good faith determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3(h)(iii) (*Adjustment Spread*)) subsequently be used in place of the Screen Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of Condition 3(h)(i)); or
- (B) there is no Successor Rate but that there is an Alternative Reference Rate, then such Alternative Reference Rate shall (subject to adjustment as provided in Condition 3(h)(iii) (*Adjustment Spread*)) subsequently be used in place of the Screen Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of Condition 3(h)(i)).

(iii) *Adjustment Spread*

If the Issuer, following consultation with the Independent Adviser and acting in good faith determines and notifies the Agents in accordance with sub-paragraph (v) below, (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be for each subsequent determination of the Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Reference Rate (as applicable)).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Reference Rate or Adjustment Spread is determined in accordance with this Condition 3(h) (*Benchmark Replacement*) and the Issuer, following consultation with the Independent Adviser and acting in good faith determines and notifies the Agents in accordance with sub-paragraph (v) below, (i) that amendments to these Conditions, Trust Deed and/or the Agency Agreement (including but not limited to amendments to the definitions of Day Count Fraction, Relevant Screen Page, Business Days and/or the Interest Determination Date applicable to the Notes, and the method for determining the fallback rate in relation to the Notes) are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark

Amendments, then the Issuer shall, and subject to the Issuer giving notice thereof in accordance with Condition 3(h)(v) (*Notices, etc.*), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 3(h)(iv) (*Benchmark Amendments*), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

For the avoidance of doubt, the Benchmark Amendments shall not be treated as being within the scope of the Reserved Matters or one or more provisions under Condition 12 (save in respect of the second paragraph of Condition 12(b)) (*Meetings of Noteholders, Modification, Waiver, Authorisation and Substitution*), and the Trustee shall be obliged to concur with the Issuer in respect of such Benchmark Amendments in accordance with this Condition 3(h) (*Benchmark Replacement*), **provided, however**, that neither the Trustee nor the Agents shall be obliged so to concur if in the opinion of the Trustee and/or the Agents (as applicable), doing so would have the effect of (i) exposing the Trustee and/or the Agents (as applicable) to any liabilities against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee and/or the Agents (as applicable) in these Conditions, the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement.

(v) *Notices, etc.*

The Issuer shall notify the Agents, the Trustee and, in accordance with Condition 11 (*Notices*), the Noteholders and the Couponholders promptly of any Successor Rate, Alternative Reference Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3(h) (*Benchmark Replacement*). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Successor Rate or Alternative Reference Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Reference Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Trustee, the Agents, the Noteholders and the Couponholders.

No later than notifying the Trustee and the Agents of the same, which shall be not less than 5 Business Days prior to the next Interest Determination Date, the Issuer shall deliver to the Trustee and the Agents a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, Alternative Reference Rate and, (iii) where applicable, the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 3(h) (*Benchmark Replacement*); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Reference Rate, as the case may be.

The Trustee and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Reference Rate (as applicable) and the Benchmark Amendments (if any) determined in accordance with this Condition 3(h) (*Benchmark Replacement*) will (in the absence of manifest error or negligence in the determination of the Successor Rate

or Alternative Reference Rate (as applicable) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and/or the Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Noteholders.

(vi) *Survival of Screen Rate*

Without prejudice to the obligations of the Issuer under the provisions of this Condition 3(h) (*Benchmark Replacement*), the Screen Rate and in Condition 3(d) (*Determination of Rate of Interest and Interest Amount*) will continue to apply unless and until a Benchmark Event has occurred and only then once the Agents and the Trustee have been notified of the Successor Rate or Alternative Reference Rate (as the case may be) and any Adjustment Spread (if applicable) and Benchmark Amendments (if applicable) in accordance with Condition 3(h)(v) (*Notices, etc.*).

(vii) *Fallbacks*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the relevant Interest Determination Date, the Issuer is unable to appoint an Independent Advisor or no Successor Rate or Alternative Reference Rate (as applicable) is determined pursuant to this Condition 3(h) (*Benchmark Replacement*) by such Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period.

For the avoidance of doubt, this Condition 3(h) (*Benchmark Replacement*) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(h) (*Benchmark Replacement*).

(viii) *Capital Disqualification Event*

Notwithstanding any other provision in this Condition 3(h) (*Benchmark Replacement*), no Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the Trust Deed, Agency Agreement or the Conditions will be made pursuant to this 3(h) (*Benchmark Replacement*), if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to lead to a disqualification of the Notes from the Tier 2 Capital of the Issuer, Issuer's Group or the Solvency II Group (as the case may be).

4. Deferral of Payments

(a) *Optional Deferral of Interest:* Without prejudice to Condition 4(b) (*Mandatory Deferral of Interest*), on any Optional Interest Payment Date, the Issuer may in the manner described in Condition 4(d) (*Notification in respect of Interest Payments*) elect to defer payment of all (but not some only) of the interest in respect of the Notes accrued in the Interest Period ending on the day immediately preceding such date. If the Issuer so elects, it shall not have any obligation to make such Interest Payment and any failure to pay shall not constitute a default by the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes.

(b) *Mandatory Deferral of Interest:*

(i) Subject to Condition 4(b)(ii) below, Interest Payments by the Issuer will be mandatorily deferred on each Mandatory Interest Deferral Date. The deferral of any payment of interest on a Mandatory Interest Deferral Date in accordance with this Condition 4(b) (*Mandatory Deferral of Interest*) or in accordance with Condition 2(b) (*Subordination*) shall not constitute a default by the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes.

- (ii) Notwithstanding that an Interest Payment Date may be a Mandatory Interest Deferral Date, Interest Payments (or part thereof) may still be paid on such Interest Payment Date to the extent that:
 - (A) the Issuer Supervisor has exceptionally waived the deferral of such Interest Payments or part thereof;
 - (B) payment of such Interest Payments (or part thereof) does not further weaken the solvency position of the Issuer; and
 - (C) the Minimum Capital Requirement is complied with immediately after such Interest Payments are made.
 - (iii) At the same time as notifying the Trustee and the Noteholders of a Mandatory Interest Deferral Date in accordance with Condition 4(d) (*Notification in respect of Interest Payments*), the Issuer shall send to the Trustee a certificate signed by two Authorised Signatories of the Issuer confirming that the relevant Interest Payment Date is a Mandatory Interest Deferral Date. Any such certificate shall, in the absence of manifest error, be treated and accepted by the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof, shall be binding on all such persons and the Trustee shall be entitled to rely on such certificate without liability to any person.
- (c) *Arrears of Interest:*
- (i) Any interest in respect of the Notes not paid on an Interest Payment Date as a result of the exercise by the Issuer of its discretion to defer such Interest Payments pursuant to Condition 4(a) (*Optional Deferral of Interest*), the obligation of the Issuer to defer such Interest Payments pursuant to Condition 4(b) (*Mandatory Deferral of Interest*) and/or any interest not paid due to the Solvency Condition not being satisfied, shall, to the extent and so long as the same remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest shall not themselves bear interest.
 - (ii) Arrears of Interest may (subject to the Solvency Condition being satisfied and to receiving the prior approval of the Issuer Supervisor (if required) and provided that the intended date of such payment is not a Mandatory Interest Deferral Date), at the option of the Issuer, be paid in whole or in part at any time upon the expiry of not less than five (5) days' notice to such effect given by the Issuer to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 11 (*Notices*) and in any event become due and payable by the Issuer (subject, in the case of paragraphs (A) and (C) below, to the Solvency Condition being satisfied, and to receiving the prior approval of the Issuer Supervisor (if required)) in full (and not in part) on the earliest of:
 - (A) the date on which the Notes are to be redeemed or purchased pursuant to any provision of Condition 6 (*Redemption, Purchase, Substitution and Variation*) (subject to any suspension of such redemption date pursuant to Condition 6(b) (*Issuer suspension of redemption date*)); or
 - (B) the date on which a decree or order being made by a court or agency or supervisory authority having jurisdiction in respect of the same for the Liquidation of the Issuer or a resolution being passed for the Liquidation of the Issuer; or
 - (C) the next Interest Payment Date which is a Compulsory Interest Payment Date.

Arrears of Interest shall not be due solely by virtue of any payment on any Parity Obligations the terms of which do not allow the issuer of the relevant securities to defer, pass on or eliminate the relevant payment.

In the event of any Liquidation of the Issuer, unpaid interest in respect of the Notes, including any Arrears of Interest, shall rank *pari passu* with the principal of the Notes and the Noteholders shall be entitled to claim for such principal, unpaid interest and Arrears of Interest.

- (d) *Notification in respect of Interest Payments:* The Issuer shall give to the Trustee and the Noteholders in accordance with Condition 11 (*Notices*) not less than five (5) Business Days' nor more than fourteen (14) Business Days' prior notice:
- (i) of (subject as provided below) any Optional Interest Payment Date on which, pursuant to the provisions of Condition 4(a) (*Optional Deferral of Interest*) above, the Issuer will not pay any Interest Payments in respect of the Notes;
 - (ii) of any Mandatory Interest Deferral Date, provided that if the conditions to the relevant Interest Payment Date being a Mandatory Interest Deferral Date are satisfied less than five (5) Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following the occurrence of such event;
 - (iii) if any payment of interest will not become due on any Interest Payment Date as a result of a failure to satisfy the Solvency Condition, provided that if the circumstances resulting in non-satisfaction of the Solvency Condition occur, or are determined to have occurred, less than five (5) Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following the occurrence of such event (and in either case shall specify that interest will not be paid as a result of non-satisfaction of the Solvency Condition); and
 - (iv) of any date upon which, pursuant to the provisions of Condition 4(c)(ii) (*Arrears of Interest*) above, amounts in respect of Arrears of Interest shall become due and payable,
- but provided that* failure to make such notification shall not (in the case of (ii) and (iii) above) oblige the Issuer to make a payment of such Interest, or cause the same to become due and payable, on such date, or (in the case of (iv) above) invalidate the obligation of the Issuer to make a payment of such Arrears of Interest on such date.
- (e) *Partial Payment of Arrears of Interest:* If amounts in respect of Arrears of Interest become partially payable:
- (i) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period; and
 - (ii) the amount of Arrears of Interest payable in respect of any Note in respect of any period shall be made *pro rata* to the total amount of all unpaid Arrears of Interest accrued in respect of that period.

5. **Payments and Exchanges of Talons**

- (a) *Payments in respect of Notes and Coupons:* Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.
- (b) *Method of Payment:* Payments will be made by credit or transfer to a Swedish Krona account (or any other account to which Swedish Krona may be credited or transferred) specified by the payee.

- (c) *Missing Unmatured Coupons:* Each Note should be presented for payment together with all relative unmatured Coupons (which *expression* shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons). Upon the date on which any Note becomes due and repayable, all unmatured Coupons appertaining to the Note (which *expression* shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons) (whether or not still attached) shall become void on the relevant date for redemption and no payment shall be made in respect thereof.
- (d) *Payments subject to Applicable Laws:* Payments in respect of principal and interest on the Notes and Coupons are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (e) *Payment only on a Presentation Date:* A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 3 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

"**Presentation Date**" means a day which (subject to Condition 8 (*Prescription*)):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a Swedish Krona account, is a Business Day in Stockholm.

In this Condition 5 (*Payments and Exchanges of Talons*), "**Business Day**" means, in relation to any place, 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 that place.

- (f) *Exchange of Talons:* On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 8 (*Prescription*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.
- (g) *Initial Paying Agents:* The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:
 - (i) there will at all times be a Principal Paying Agent; and
 - (ii) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the stock exchange (or any other relevant authority) on which the Notes may be listed from time to time.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 11 (*Notices*).

6. **Redemption, Purchase, Substitution and Variation**

- (a) *Redemption at Maturity*: Subject to Conditions 6(b) (*Issuer suspension of redemption date*), 6(d) (*Redemption at the Option of the Issuer*), and 6(g) (*Preconditions to redemption, purchases, variation and substitution*), satisfaction of the Solvency Condition and to receiving the prior approval of the Issuer Supervisor (if required), unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on the Maturity Date together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the Maturity Date.
- (b) *Issuer suspension of redemption date*:
 - (i) Subject to Condition 6(b)(ii) below, no Notes shall be redeemed on the Maturity Date pursuant to Condition 6(a) (*Redemption at Maturity*) or prior to the Maturity Date pursuant to Conditions 6(c) (*Taxation reasons redemption, variation or substitution*), 6(d) (*Redemption at the Option of the Issuer*), or 6(e) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*) if the date set for redemption is a Mandatory Redemption Suspension Date and redemption shall be suspended in accordance with the provisions of this Condition 6(b) (*Issuer suspension of redemption date*). Any failure to pay principal as a result of any such suspension pursuant to this paragraph (i) or Condition 2(b) shall not constitute a default by the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any other action under the Notes or the Trust Deed. Nothing in this paragraph (i) shall be construed to permit the Issuer to defer any principal otherwise due and payable except under the circumstances specified in this paragraph (i) and Condition 2(b).
 - (ii) Notwithstanding that the date set for redemption may be a Mandatory Redemption Suspension Date, the Notes may be redeemed and the relevant redemption amount may still be paid to the extent:
 - (A) the Issuer Supervisor has exceptionally waived the suspension of redemption of the Notes;
 - (B) the Notes are exchanged for or converted into other Tier 1 Capital or Tier 2 Capital of at least the same quality; and
 - (C) the Minimum Capital Requirement is complied with immediately after redemption of the Notes.
 - (iii) The Issuer shall notify the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 11 (*Notices*) no later than five (5) Business Days prior to any date set for redemption of the Notes if such redemption is to be suspended in accordance with either paragraph (i) above or non-satisfaction of the Solvency Condition, provided that if the relevant circumstance requiring redemption to be suspended arises, or is determined, less than five (5) Business Days prior to the date set for redemption, the Issuer shall give notice of such suspension in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following the occurrence of such event *but provided that* failure to make such notification shall not oblige the Issuer to redeem the Notes on such date.
 - (iv) If redemption of the Notes does not occur on the Maturity Date or, as appropriate, the date specified in the notice of redemption by the Issuer under Condition 6(c) (*Taxation reasons redemption, variation or substitution*), 6(d) (*Redemption at the Option of the Issuer*), 6(e) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*) as a result of paragraph (i) above, the Issuer shall (subject, in the case of sub-paragraphs (A) and (B) below only, to the Solvency Condition being satisfied and to receiving the prior approval of the Issuer Supervisor (if required))

redeem such Notes at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest, upon the earliest of:

- (A) the date falling ten (10) Business Days after the first date which immediately follows the date set for redemption and which is not a Mandatory Redemption Suspension Date (with, for the purposes of such definition, the relevant date being deemed to be a date on which the Notes would otherwise be redeemed pursuant to this Condition 6 (*Redemption, Purchase, Substitution and Variation*)) (unless such 10th Business Day is itself a Mandatory Redemption Suspension Date, in which case the provisions of paragraph (i) above and this paragraph (iv) will apply *mutatis mutandis* to determine the due date for redemption of the Notes); or
- (B) the date falling ten (10) Business Days after the Issuer Supervisor has agreed to the repayment or redemption of the Notes; or
- (C) the date on which order for the Liquidation of the Issuer is made,

and the Issuer shall give notice of such redemption to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following the occurrence of the relevant event triggering such redemption.

- (v) If paragraph (i) above does not apply, but redemption of the Notes does not occur on the Maturity Date or, as appropriate, the date specified in the notice of redemption by the Issuer under Condition 6(c) (*Taxation reasons redemption, variation or substitution*), 6(d) (*Redemption at the Option of the Issuer*), or 6(e) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*) as a result of the Solvency Condition not being met at the time and immediately after such payment, subject to receiving the prior approval of the Issuer Supervisor (if required), such Notes shall be redeemed at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest on the 10th Business Day immediately following the day that (A) the Issuer is Solvent and (B) the redemption of the Notes would not result in the Issuer ceasing to be Solvent, provided that if such Business Day specified for redemption is a Mandatory Redemption Suspension Date, then the Notes shall not be redeemed on such date and paragraph (iv) above shall apply *mutatis mutandis* to determine the due date for redemption of the Notes.

At the same time as delivering any notice to the Trustee and the Noteholders pursuant to this Condition 6(b) (*Issuer suspension of redemption date*), the Issuer shall send to the Trustee a certificate signed by two Authorised Signatories of the Issuer confirming (i) that the relevant date set for redemption is or is not (as applicable) a Mandatory Redemption Suspension Date, (ii) the satisfaction or otherwise of the Solvency Condition, and (iii) (if required) that the Issuer has received the prior approval of the Issuer Supervisor. Any such certificate shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof, shall be binding on all such persons and the Trustee shall be entitled to rely on such certificate without liability to any person.

- (c) *Taxation reasons redemption, variation or substitution*: If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that, as a result of:
 - (i) any amendment to, clarification of or change (including any announced prospective change) in the laws or treaties (or regulations thereunder) of the Relevant Jurisdiction affecting taxation;
 - (ii) any governmental action; or

- (iii) any amendment to, clarification of or change in the official position or the interpretation of any such governmental action or pronouncement,

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective or such pronouncement or decision is announced on or after the Issue Date, there is, more than an insubstantial risk that:

- (A) the Issuer is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Notes;
- (B) 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 more than a *de minimis* amount of additional taxes, duties or other governmental charges; or
- (C) the Issuer would be required to pay additional amounts, as provided or referred to in Condition 7 (*Taxation*),

the Issuer may at its option (subject to Conditions 6(b) (*Issuer suspension of redemption date*) and 6(g) (*Preconditions to redemption, purchases, variation and substitution*), satisfaction of the Solvency Condition and the Issuer having received the prior approval of the Issuer Supervisor (if required)), having given not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 11 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption),

(I) redeem all (but not some only) of the Notes at any time at their principal amount, together with any accrued interest and Arrears of Interest; or

(II) substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities and the Trustee shall (subject to each of Condition 6(j) (*Trustee role on redemption, variation or substitution*) and Condition 6(k) (*Trustee not obliged to monitor*) and the receipt by it of the certificates of the Authorised Signatories referred to in Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) below) agree to such substitution or variation.

- (d) *Redemption at the Option of the Issuer:* The Issuer may (subject to Conditions 6(b) (*Issuer suspension of redemption date*) and 6(g) (*Preconditions to redemption, purchases, variation and substitution*)) satisfaction of the Solvency Condition and having received the prior approval of the Issuer Supervisor (if required)), having given:

- (i) not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 11 (*Notices*); and
- (ii) notice to the Trustee and the Principal Paying Agent not less than fifteen (15) days before the giving of the notice referred to in paragraph (i) above,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes on any date from and including 17 March 2026 to and including 17 June 2026 and on any Interest Payment Date thereafter, at their principal amount together with any accrued interest and Arrears of Interest.

- (e) *Capital Disqualification Event redemption, variation or substitution:* If a Capital Disqualification Event has occurred and is continuing, the Issuer may at any time (subject to Conditions 6(b) (*Issuer suspension of redemption date*), 6(g) (*Preconditions to*

redemption, purchases, variation and substitution), satisfaction of the Solvency Condition and receiving the prior consent of the Issuer Supervisor (if required)), having given:

- (i) not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 11 (*Notices*); and
- (ii) notice to the Trustee and the Principal Paying Agent not less than fifteen (15) days before the giving of the notice referred to in paragraph (i) above,

(which notices shall be irrevocable and shall specify the date fixed for redemption):

- (A) redeem all (but not some only) of the Notes at their principal amount, together with any accrued interest and Arrears of Interest; or
 - (B) substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities and the Trustee shall (subject to both Condition 6(j) (*Trustee role on redemption, variation or substitution*) and Condition 6(k) (*Trustee not obliged to monitor*) and the receipt by it of the certificates of the Authorised Signatories referred to in Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) below) agree to such substitution or variation.
- (f) *Rating Agency Event redemption, variation or substitution:* If a Rating Agency Event has occurred and is continuing, the Issuer may at any time (subject to Conditions 6(b) (*Issuer suspension of redemption date*) and 6(g) (*Preconditions to redemption, purchases, variation and substitution*)), satisfaction of the Solvency Condition and receiving the prior consent of the Issuer Supervisor (if required)), having given:
 - (i) not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 11 (*Notices*); and
 - (ii) notice to the Trustee and the Principal Paying Agent not less than fifteen (15) days before the giving of the notice referred to in paragraph (i) above,(which notices shall be irrevocable and shall specify the date fixed for redemption):
 - (A) redeem all (but not some only) of the Notes at their principal amount, together with any accrued interest and Arrears of Interest; or
 - (B) substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities and the Trustee shall (subject to both Condition 6(j) (*Trustee role on redemption, variation or substitution*) and Condition 6(k) (*Trustee not obliged to monitor*) and the receipt by it of the certificates of the Authorised Signatories referred to in Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) below) agree to such substitution or variation.
- (g) *Preconditions to redemption, purchases, variation and substitution:*
 - (i) Prior to the publication of any notice of redemption before the Maturity Date or any purchase, variation or substitution of the Notes, provided that no Regulatory Deficiency Redemption Suspension Event has occurred or is continuing, the Issuer will be required to be in continued compliance with the Relevant Rules and on the same date as publishing any notice of redemption before the Maturity Date or making any purchase, variation or substitution of the Notes the Issuer shall deliver to the Trustee a certificate from two Authorised Signatories of the Issuer confirming such compliance. Any such certificate shall be conclusive evidence of

such compliance (it being declared that the Trustee may rely absolutely on such certification without liability to any person).

- (ii) Prior to the publication of any notice of redemption, variation or substitution pursuant to Conditions 6(c) (*Taxation reasons redemption, variation or substitution*) or 6(e) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*), the Issuer shall deliver to the Trustee:
 - (A) in the case of a redemption, variation or substitution pursuant to Condition 6(c) (*Taxation reasons redemption, variation or substitution*) a certificate signed by two Authorised Signatories stating that any or all of the requirements referred to in paragraphs (i), (ii) or (iii) of such Condition will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, together with an opinion of independent tax counsel of recognised standing to such effect (other than in relation to whether the Issuer may take reasonable measures available to it) and the certificate shall also confirm that (if required) the Issuer has received the prior approval of the Issuer Supervisor and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above; and
 - (B) in the case of a redemption, variation or substitution pursuant to Condition 6(e) (*Capital Disqualification Event redemption, variation or substitution*) or Condition 6(f) (*Rating Agency Event redemption, variation or substitution*) a certificate signed by two Authorised Signatories stating that a Capital Disqualification Event or Rating Agency Event (as applicable) has occurred and is continuing and the certificate shall also confirm that (if required) the Issuer has received the prior approval of the Issuer Supervisor. Any such certificate shall be conclusive and binding on the Trustee, the Noteholders and the Couponholders.

To the extent then required by the Relevant Rules, in the case of a redemption or purchase within the period of five (5) years from the Issue Date, either:

- (A) such redemption or purchase is being funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes; or
- (B) in the case of a redemption pursuant to Condition 6(c) (*Taxation reasons redemption, variation or substitution*) or Condition 6(e) (*Capital Disqualification Event redemption, variation or substitution*) only:
 - (1) the Issuer Supervisor being satisfied that the Solvency Capital Requirement of the Solvency II Group, Issuer or Issuer's Group (as applicable), immediately after the repayment or redemption, will be exceeded by an appropriate margin (taking into account the solvency position of the Solvency II Group, Issuer or Issuer's Group (as applicable), including by reference to its medium-term capital management plan); and
 - (2) either (x) (in the case of a redemption pursuant to Condition 6(c) (*Taxation reasons redemption, variation or substitution*)) the Issuer having demonstrated to the satisfaction of the Issuer Supervisor that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Issue Date, or (y) (in the case of a redemption pursuant to Condition 6(e) (*Capital Disqualification Event redemption, variation or substitution*)) the Issuer Supervisor considering that the relevant change in the regulatory classification of the Notes was sufficiently certain

and the Issuer having demonstrated to the satisfaction of the Issuer Supervisor that such change was not reasonably foreseeable as at the Issue Date,

and in each case as being otherwise permitted under the Relevant Rules.

A certificate from any two Authorised Signatories to the Trustee confirming compliance with sub-paragraphs (A) and (B) above shall be conclusive evidence of such compliance and the Trustee may rely absolutely on such certification without liability to any person and without any obligation to verify or investigate the accuracy hereof.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase, the prevailing Relevant Rules permit the repayment, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 6 (*Redemption, Purchase, Substitution and Variation*), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

- (h) *Purchases:* The Issuer or any of its Subsidiaries may (subject to receiving the prior consent of the Issuer Supervisor (if required)), at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Any Notes so purchased may be held, reissued or surrendered for cancellation.
- (i) *Cancellations:* All Notes which are (a) redeemed, or (b) purchased by or on behalf of the Issuer or any of its Subsidiaries pursuant to Condition 6(h) (*Purchases*) above and surrendered for cancellation will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be held, reissued or resold.
- (j) *Trustee role on redemption, variation or substitution:* The Trustee shall not be obliged to co-operate in or agree to any such substitution or variation of the terms referred to in this Condition 6 (*Redemption, Purchase, Substitution and Variation*) if the securities into which the Notes are to be substituted or are to be varied or such substitution or variation imposes, in the Trustee's opinion, more onerous obligations or duties upon it or exposes it to liabilities or reduces its protections. If the Trustee does not so co-operate or agree as provided above, the Issuer may instead, subject as provided above, redeem the Notes as provided above.
- (k) *Trustee not obliged to monitor:* The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists for the purposes of this Condition 6 (*Redemption, Purchase, Substitution and Variation*) and will not be responsible to the Noteholders for any loss arising from any failure by it to do so. Unless and until the Trustee has written notice of the occurrence of any event or circumstance within this Condition 6 (*Redemption, Purchase, Substitution and Variation*), it shall be entitled to assume that no such event or circumstance exists.
- (l) *Notice of substitution or variation:* A notice of substitution or variation of the Notes pursuant to Conditions 6(c) (*Taxation reasons redemption, variation or substitution*), 6(e) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*) shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Qualifying Tier 2 Securities. Such substitution or variation will be effected without any cost or charge to the Noteholders.
- (m) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) and (c) to (f) above.

7. **Taxation**

- (a) *Payment without Withholding:* All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts in respect of interest (but not in respect of principal) as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:
- (i) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
 - (ii) presented for payment in the Kingdom of Sweden; or
 - (iii) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
 - (iv) presented for payment more than thirty (30) days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of thirty (30) days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 5(e) (*Payment only on a Presentation Date*)).
- (b) *Additional Amounts:* Any reference in these Conditions to any amounts in respect of the Notes and/or Coupons shall be deemed also to refer to any additional amounts which may be payable under this Condition 7 (*Taxation*) or under any undertakings given in addition to, or in substitution for, this Condition 7 (*Taxation*) pursuant to the Trust Deed.
- (c) *Taxing Jurisdiction:* If the Issuer becomes tax resident at any time in any taxing jurisdiction other than the Kingdom of Sweden, references in these Conditions to the Kingdom of Sweden shall be construed as references to the Kingdom of Sweden and/or such other jurisdiction.

8. **Prescription**

Notes and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within periods of ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 5 (*Payments and Exchanges of Talons*). There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this Condition 8 (*Prescription*) or Condition 5 (*Payments and Exchanges of Talons*).

9. **Enforcement**

There are no events of default.

- (a) *Enforcement by the Trustee:* The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce its rights under the Notes, the Coupons, the Trust Deed or the Agency Agreement (other than in respect of any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including any payment of damages awarded for breach of any obligations thereunder) but in no event shall the Issuer, by virtue of the institution of any such proceedings or the taking of such steps or actions, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been

payable by it. The Trustee shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Agency Agreement, the Notes or the Coupons unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding, and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing and provided that the Trustee shall not be liable for the consequences of taking any such action and may take such action without having regard to the effect of such actions on individual Noteholders or Couponholders.

- (b) *Enforcement by the Noteholders:* No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period (which in any event shall be not less than 30 days) and the failure shall be continuing.
- (c) *Liquidation:* If a Liquidation of the Issuer occurs, the Trustee at its discretion may and, if so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding relevant Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) declare such Notes to be due and repayable immediately (and such Notes shall thereby become so due and repayable) at their outstanding principal amount together with any accrued but unpaid interest, including any Arrears of Interest, as provided in the Trust Deed and payments are subject to the subordination provisions set out in Condition 2(b).

10. **Replacement of Notes, Coupons and Talons**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Replacement Agent (being the Paying Agent in London and as defined in the Agency Agreement) upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. **Notices**

All notices to the Noteholders will be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed, including publication on the website of the relevant stock exchange or relevant authority if required by those rules, such as on www.bourse.lu where the Notes are listed on the Luxembourg Stock Exchange. Any such notice will be deemed to have been given on the date of the first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 11 (*Notices*).

12. **Meetings of Noteholders, Modification, Waiver, Authorisation and Substitution**

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any

meeting the business of which includes the modification or abrogation of Reserved Matters, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than three quarters, or at any adjourned such meeting not less than one quarter, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders. In addition, a resolution in writing signed by or on behalf of Noteholders holding or representing not less than three-quarters of the aggregate principal amount of the Notes for the time being outstanding who for the time being are entitled to receive notice of a meeting of Noteholders 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 Noteholders.

- (b) *Modification, Waiver, Authorisation and Substitution:* The Trustee may agree, without the consent of the Noteholders or Couponholders, (i) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) or (ii) to the substitution of the Issuer, provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders, or may agree, without any such consent as aforesaid, to any modification of any of these Conditions or the provisions of the Trust Deed or the Agency Agreement which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

Additionally, the Issuer may, subject to Condition 3(h) (*Benchmark Replacement*), vary or amend these Conditions, the Trust Deed and/or the Agency Agreement to give effect to certain amendments without any requirement for the consent or approval of Noteholders, as described in Condition 3(h) (*Benchmark Replacement*) and the Trustee shall agree to such variations or amendments in accordance with Condition 3(h) (*Benchmark Replacement*).

- (c) *Trustee to have Regard to Interests of Noteholders as a Class:* In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not be obligated to have regard to the consequences of any such exercise for individual Noteholders or Couponholders (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 Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.
- (d) *Notification to the Noteholders:* Any modification, abrogation, waiver, authorisation or substitution in accordance with these Conditions shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 11 (*Notices*).
- (e) *Notice to the Issuer Supervisor:* No modification to these Conditions shall become effective unless the Issuer Supervisor approved, granted permission for, consented to, or provided a non-objection to and has not withdrawn its approval, permission or consent to, such modification (in any case only if and to the extent such approval, permission, consent or non-objection is required by the Issuer Supervisor, the Relevant Rules or any other applicable rules of the Issuer Supervisor at the relevant time) (the "**Issuer Supervisor**

Consent"). Once the Issuer receives the Issuer Supervisor Consent, the Issuer shall notify the Trustee as soon as reasonably practicable.

13. **Substitution**

(a) ***Discretion to agree to substitution***

The Trust Deed contains provisions permitting the Trustee to agree, subject to certain conditions set out in the Trust Deed being satisfied, but without the consent of the Noteholders or the Couponholders:

- (i) to the substitution of a successor in business of the Issuer in place of the Issuer or any previous substitute under this Condition 13 (*Substitution*) as principal debtor under the Trust Deed and the Notes; or
- (ii) (subject to the Notes being irrevocably guaranteed on a subordinated and (subject to the Solvency Condition) unconditional basis by the Issuer), to the substitution of a Subsidiary of the Issuer in place of the Issuer or any previous substitute under this Condition 13 (*Substitution*) as principal debtor under the Trust Deed and the Notes.

Any such substitution shall be subject to the Issuer having received the prior approval of the Issuer Supervisor (if required).

(b) ***Change in law***

In the case of any substitution pursuant to this Condition 13 (*Substitution*), the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing Conditions 2 (*Status and Subordination*), 4(b) (*Mandatory Deferral of Interest*), 6(b) (*Issuer suspension of redemption date*) and/or 6(e) (*Capital Disqualification Event redemption, variation or substitution*) of the Notes and the related provisions of the Trust Deed to the law of the jurisdiction of incorporation of the Substituted Obligor, provided that such change or the substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(c) ***Notice to Noteholders***

The Issuer will give notice of any substitution pursuant to this Condition 13 (*Substitution*) to Noteholders in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following such substitution provided failure to do so shall not prevent the substitution from being effective.

14. **Indemnification of the Trustee and its Contracting with the Issuer**

- (a) ***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 pre-funded to its satisfaction.
- (b) ***Trustee Contracting with the Issuer:*** The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

15. **Further Issues**

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) having the same terms and conditions as the Notes in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the Notes or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes or bonds which are to form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed shall, and any other further notes or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or bonds of other series in certain circumstances where the Trustee so decides.

16. **Governing Law and Submission to Jurisdiction**

- (a) *Governing Law:* The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are and shall be governed by, and construed in accordance with, English law, except for Conditions 2 (*Status and Subordination*), 4(b) (*Mandatory Deferral of Interest*), 6(b) (*Issuer suspension of redemption date*) and 6(e) (*Capital Disqualification Event redemption, variation or substitution*), which shall be governed by, and construed in accordance with, Swedish law.
- (b) *Jurisdiction of English Courts:* The Issuer has, in the Trust Deed and Agency Agreement, irrevocably agreed for the benefit of the Trustee that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, Agency Agreement, the Notes and/or the Coupons (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and/or the Coupons) or the consequences of their nullity and accordingly has submitted to the exclusive jurisdiction of the English courts.

The Issuer has, in the Trust Deed and Agency Agreement, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee may take Proceedings arising out of or in connection with the Trust Deed, Agency Agreement, the Notes and/or the Coupons (including any Proceeding relating to any non-contractual obligations arising out of or in connection with the Trust Deed, Agency Agreement, the Notes and/or the Coupons) against the Issuer in any other court with jurisdiction and, to the extent allowed by law, concurrent Proceedings in any number of jurisdictions.

- (c) *Appointment of Process Agent:* The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed If P&C Insurance Ltd. (publ), UK branch at its registered office for the time being (being Alpha House, 24a Lime Street, London EC3M 7HJ) as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition 16(c) (*Appointment of Process Agent*) applies to Proceedings in England and to Proceedings elsewhere.

17. **Rights of Third Parties**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. **Definitions**

In these Conditions, except where otherwise defined:

"Adjustment Spread" means either a spread (which may be positive or negative), or the quantum of the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith determines should be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders or Couponholders as a result of the replacement of the Screen Rate with the Successor Rate or the Alternative Reference Rate (as the case may be) and is the spread, quantum formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt in relation to the replacement of the Screen Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) in the case of an Alternative Reference Rate or (where (A) above does not apply) in the case of a Successor Rate, the Issuer, following consultation with the Independent Adviser and acting in good faith determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Screen Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be); or
- (C) (if the Issuer determines that (A) above does not apply and no such spread, quantum formula or methodology is recognised or acknowledged as being customary market usage as referred to in (B) above) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith determines to be appropriate;

"Alternative Reference Rate" means the benchmark or screen rate which the Issuer, following consultation with the Independent Adviser and acting in good faith determines in accordance with Condition 3(h)(ii) (*Successor Rate or Alternative Reference Rate*) has replaced the Screen 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) or if no such rate exists, the rate which is most comparable to the Screen Rate, for a comparable interest period and in the same currency as the Notes;

"Arrears of Interest" has the meaning given in Condition 4(c) (*Arrears of Interest*).

"Assets" means, for the purposes only of the definition of Solvent, at any time, the non-consolidated total assets of the Issuer, as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events, all valued in such manner as the Board of Directors of the Issuer may determine.

"Authorised Signatory" means any registered authorised signatory (*Sw. registerad firmatecknare*) of the Issuer or any other person or persons duly authorised by the Board of Directors who, jointly with another Authorised Signatory, has the authority to sign the company name (*Sw. firmateckningsrätt*) on behalf of the Issuer.

"Benchmark Amendments" has the meaning given to it in Condition 3(h)(iv) (*Benchmark Replacement*).

"Benchmark Event" means:

- (a) the Screen Rate ceasing to be published for a period of at least 5 Business Days as a result of ceasing to be calculated, administered or published;
- (b) the later of (i) the making of a public statement by the administrator of the Screen Rate that it will, on or before a specified date, cease publishing the Screen Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Screen Rate) and (ii) the date falling six months prior to the specified date referred to in (b)(i) above;

- (c) the making of a public statement by the supervisor of the administrator of the Screen Rate that the Screen Rate has been permanently or indefinitely discontinued;
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Screen Rate that the Screen Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (d)(i) above;
- (e) the later of (i) the making of a public statement by the supervisor of the administrator of the Screen Rate that means the Screen Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i) above;
- (f) the making of a public statement by the supervisor of the administrator of the Screen Rate that the Screen Rate is no longer representative of an underlying market or methodology to calculate such rate has materially changed; or
- (g) it has become unlawful for any Agent to calculate any payments due to be made to any Noteholder or Couponholder using the Screen Rate, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable.

"Board of Directors" means the board of directors of the Issuer.

"Business Day" means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Stockholm and a TARGET Settlement Day.

"Calculation Amount" means SEK 1,000,000.

"Capital Disqualification Event" is deemed to have occurred if:

(i) as a result of any replacement of or change to (or change to the interpretation by any court or authority entitled to do so of) the Relevant Rules becoming effective on or after the Issue Date or the Issuer Supervisor has stated in writing to the Ultimate Solvency II Regulated Entity and/or the Issuer that all or any part of the Notes are no longer capable of counting as:

- (a) cover for capital requirements or treated as own funds (however such terms might be described in Solvency II or the Relevant Rules) applicable to the Solvency II Group (as appropriate) whether on a group or consolidated basis, or
- (b) Tier 2 Capital for the purposes of the Solvency II Group (as appropriate) whether on a group or consolidated basis,

except where in the case of either paragraphs (a) or (b) above such non-qualification is only as a result of any applicable limitation on the amount of such capital; or

(ii) at any point in time after the Issue Date, so long as any Notes remain outstanding, the Issuer and/or the Ultimate Solvency II Regulated Entity has been notified in writing by the Issuer Supervisor that the Issuer and/or the Issuer's Group (as the case may be) has become subject to a Solvency Capital Requirement (or any other capital requirement howsoever described in Solvency II or the Relevant Rules), in each case whether on a solo, group or consolidated basis, and the Notes are capable of counting as cover for such capital requirements or counting as Tier 2 Capital for the purposes of, the Issuer or the Issuer's Group (as the case may be), whether on a solo, group or consolidated basis (the **"Applicable Date"**) and subsequently as a result of any replacement of or change to (or change to the interpretation by any court or authority entitled to do so of) the Relevant Rules becoming effective after such Applicable Date or the Issuer Supervisor has stated in writing to the Issuer that the Notes are no longer capable of counting as:

- (x) cover for the Solvency Capital Requirement (or any other capital requirement howsoever described in Solvency II or the Relevant Rules) applicable to the

Issuer or the Issuer's Group (as the case may be) whether on a solo, group or consolidated basis, or

- (y) Tier 2 Capital for the purposes of the Issuer or the Issuer's Group (as the case may be) whether on a solo, group or consolidated basis,

except where in the case of either paragraphs (x) or (y) above such non-qualification is only as a result of any applicable limitation on the amount of such capital.

"Compulsory Interest Payment Date" means each Interest Payment Date which is not a Mandatory Interest Deferral Date during the six (6) months immediately prior to which:

- (a) a declaration or payment of any distribution or dividend on or in respect of any Junior Obligations or Parity Obligations has been made by the Issuer; or
- (b) the Issuer, directly or indirectly, redeemed, repurchased or acquired any Junior Obligations or Parity Obligations (with the exception of any repurchases in connection with stock options or ownership programmes for management or employees that are made in the normal course of business),

provided that, it shall not be a Compulsory Interest Payment Date solely by virtue of any payment on any Junior Obligations or Parity Obligations the terms of which do not allow the issuer of the relevant securities to defer, pass on or eliminate the relevant payment.

"Day Count Fraction" means, in respect of any period, the actual number of days in such period divided by 360.

"Extraordinary Resolution" has the meaning given to such term in the Trust Deed.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 3(h) at its own expense;

"Insolvent Insurer Winding-up" means:

- (a) the winding-up of any insurance undertaking or reinsurance undertaking within the Issuer's Group and/or the Solvency II Group other than the Issuer; or
- (b) the appointment of an administrator of any insurance undertaking or reinsurance undertaking within the Issuer's Group and/or the Solvency II Group other than the Issuer,

in each case, where the Issuer has determined that the assets of that insurance undertaking may or will be insufficient to meet all claims of the policyholders pursuant to a contract of insurance of that insurance undertaking which is in a winding-up or administration (and, for these purposes, the claims of policyholders pursuant to a contract of insurance shall include all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up of insurance companies that reflect any right to receive or expectation of receiving benefits which policyholders may have). For the purposes of this definition, **"insurance undertaking"** and **"reinsurance undertaking"** have the meaning given to such terms in the Solvency II Directive.

"Interest" includes, where appropriate, Arrears of Interest.

"Interest Amount" has the meaning given in Condition 3(d) (*Determination of Rate of Interest and Interest Amount*).

"Interest Determination Date" means the second day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period.

"Interest Payment Date" has the meaning given in Condition 3(a) (*Interest Payment Dates*).

"Interest Payments" means payments of interest in respect of the Notes.

"Interest Period" means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

"Issue Date" means 17 March 2021.

"Issuer's Group" means the Issuer and such other group entities held directly or indirectly by the Issuer as may be construed as part of its regulatory group under Solvency II or the Relevant Rules or otherwise by the Issuer Supervisor, as the case may be.

"Issuer Supervisor" means the Finnish Financial Supervisory Authority (*Fi. Finanssivalvonta*) and/or any entity (including any successor entity thereto) with primary responsibility for regulatory supervision of the Issuer, the Issuer's Group and/or the Solvency II Group for Solvency II purposes, as determined by the Issuer.

"Issuer Supervisor Consent" has the meaning given in Condition 12(e) (*Notice to the Issuer Supervisor*).

"Junior Obligations" means:

- (a) all classes of share capital (including, without limitation, preference share capital) of the Issuer; and
- (b) subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital of the Issuer; and
- (c) subordinated obligations of the Issuer ranking or expressed to rank junior to the Notes.

"Liabilities" means, for the purposes only of the definition of Solvent, at any time, the non-consolidated liabilities of the Issuer, as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events, all valued in such manner as the Board of Directors or the board of administration of the Issuer (as the case may be) may determine.

"Liquidation" of any person shall mean the voluntary liquidation (*Sw. frivillig likvidation*) or mandatory liquidation (*Sw. tvångslikvidation*) of such person or such person being adjudicated or found bankrupt.

"Mandatory Interest Deferral Date" means each Interest Payment Date (or for the purposes only of Condition 4(c) (*Arrears of Interest*) each date) in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest was made on such Interest Payment Date.

"Mandatory Redemption Suspension Date" means any date in respect of which a Regulatory Deficiency Redemption Suspension Event has occurred and is continuing or would occur if the payment of the relevant redemption amount otherwise due pursuant to Condition 6 (*Redemption, Purchase, Substitution and Variation*) was made on such date.

"Margin" means:

- (a) 1.300 per cent. per annum for each Interest Period from (and including) the Issue Date and to but excluding the Interest Payment Date falling in 17 March 2031; and
- (b) 2.300 per cent. per annum for each Interest Period from (and including) the Interest Payment Date falling in 17 March 2031 and to but excluding the Maturity Date.

"Maturity Date" means the Interest Payment Date falling in June 2051.

"Minimum Capital Requirement" means the minimum Solvency Capital Requirement applicable to the Solvency II Group, or (if at any point in time so long as any Notes remain outstanding, a minimum capital requirement under Solvency II or the Relevant Rules becomes applicable to the Issuer) the minimum Solvency Capital Requirement of the Issuer, or (if at any point in time so long

as any Notes remain outstanding, a minimum capital requirement under Solvency II or the Relevant Rules becomes applicable to the Issuer's Group) the minimum Solvency Capital Requirement applicable to the Issuer's Group (as appropriate), in each case whether on a solo, group or consolidated basis, referred to in, or any other minimum capital requirement howsoever described in, Solvency II or the Relevant Rules.

"Optional Interest Payment Date" means any Interest Payment Date:

- (a) which is not a Mandatory Interest Deferral Date; and
- (b) which is not a Compulsory Interest Payment Date.

"Parity Obligations" means subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital, constitute Tier 2 Capital and any other obligations ranking or expressed to rank *pari passu* with the Notes.

"Presentation Date" has the meaning given in Condition 5(e) (*Payment only on a Presentation Date*).

"Proceedings" means any suit, action or proceedings.

"Qualifying Tier 2 Securities" means securities issued directly or indirectly by the Issuer that have terms not materially less favourable to a Noteholder (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing and provided that a certification to such effect (including as to the consultation with the independent investment bank and in respect of (i) to (viii) below) signed by two Authorised Signatories shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without liability to any person) prior to the issue of the relevant securities) and shall (i) contain terms which comply with the then current requirements of the Relevant Rules in relation to Tier 2 Capital, (ii) have the same interest rate and interest payment dates, (iii) rank senior or *pari passu* with the Notes, (iv) preserve the rights to any unpaid accrued interest and/or Arrears of Interest, (v) have the same credit ratings, (vi) contain the same redemption provisions, (vii) have been approved by the Issuer Supervisor in accordance with the Relevant Rules and (viii) to the extent that such securities are issued indirectly, benefit from a subordinated guarantee from the Issuer with terms equivalent to Tier 2 Capital.

"Rate of Interest" has the meaning given in Condition 3(c) (*Interest Rate*).

"Rating Agency" means S&P Global Ratings Europe Limited or any successor thereof.

"Rating Agency Event" will be deemed to occur upon a change in the rating methodology of a Rating Agency (or in the interpretation of such methodology) becoming effective on or after the Issue Date as a result of which the equity content assigned by the relevant Rating Agency to the Notes, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, becomes, in the reasonable opinion of the Issuer, materially less favourable when compared to the equity content assigned by the relevant Rating Agency to the Notes on or around the Issue Date.

"Reference Banks" means the principal Stockholm office of each of four major banks engaged in the Stockholm interbank market as selected by the Issuer on the advice of an investment bank of international repute.

"Regulatory Deficiency Interest Deferral Event" means any event (i) (including, without limitation, any event which causes the Solvency Capital Requirement or the Minimum Capital Requirement applicable to the Issuer, the Issuer's Group or the Solvency II Group (as the case may be) to be breached and such breach is an event) which under Solvency II and/or the Relevant Rules would require the Issuer to defer Interest Payments (or, if applicable, Arrears of Interest) in respect of the Notes and/or (ii) where the Issuer Supervisor has directly notified the Issuer in writing that such deferral of Interest Payments (or, if applicable, Arrears of Interest) in respect of the Notes is required and the Issuer Supervisor has not revoked such notification.

"Regulatory Deficiency Redemption Suspension Event" means any event (i) (including, without limitation, where an Insolvent Insurer Winding-up has occurred and is continuing, or any event which causes the Solvency Capital Requirement or the Minimum Capital Requirement applicable

to the Issuer, the Issuer's Group or the Solvency II Group (as the case may be) to be breached and the continuation of such Insolvent Insurer Winding-up is or as the case may be, such breach is, an event) which under Solvency II and/or the Relevant Rules would require the Issuer to suspend repayment or redemption of the Notes and/or (ii) where the Issuer Supervisor has directly notified the Issuer in writing that such suspension of repayment or redemption of the Notes is required and the Issuer Supervisor has not revoked such notification.

"Relevant Date" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 11 (*Notices*).

"Relevant Jurisdiction" means the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax in respect of payments made by it of principal or interest on the Notes or Coupons.

"Relevant Nominating Body" means, in respect of a screen rate:

- (a) the central bank for the currency to which the screen rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the screen rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the screen rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the screen rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

"Relevant Rules" means any legislation, rules, regulations or guidelines (whether having the force of law or otherwise) applying to the Issuer, the Issuer's Group or the Solvency II Group from time to time implementing Solvency II or otherwise relating to the characteristics, features or criteria of own funds or capital resources and the requirement to retain capital resources in excess of prescribed capital resources requirement and, for the avoidance of doubt and without limitation to the foregoing, includes any legislation, rules and regulations or guidelines relating to such matters which are supplementary or extraneous to the obligations imposed on Member States by the Solvency II Directive.

"Relevant Screen Page" means Reuters Screen SIDE page under the heading "FIXINGS" (or such other page as may replace it on that service or, as the case may be, on such other information service that may replace that service, in each case, as may be nominated by the Agent Bank providing the information appearing there for the purpose of displaying rates comparable to the relevant rate).

"Representative Amount" means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time.

"Reserved Matter" means the following proposals to be approved at a meeting of the Noteholders by Extraordinary Resolution:

- (a) 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 or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment provided however for the avoidance of doubt that Benchmark Amendments and the selection of a Successor Rate, an Alternative Reference Rate or an Adjustment Spread (in each case in accordance with the provisions of Condition 3(h)) shall not constitute Reserved Matters;
- (b) to change the currency in which amounts due in respect of the Notes are payable;

- (c) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution;
- (d) other than pursuant to Condition 13 (*Substitution*) to sanction any such scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, bonds, notes, debentures, debenture stock and/or other obligations and/or Notes of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, notes, debentures, debenture stock and/or other obligations and/or Notes as aforesaid and partly for or into or in consideration of cash; or
- (e) to amend provisos to paragraphs 5 or 6 of the provisions for convening a meeting of Noteholders in the Trust Deed.

"Screen Rate" means the Stockholm interbank offered rate ("**STIBOR**") for three month deposits in Swedish Krona which appears on the Relevant Screen Page.

"Senior Creditors" means all creditors of the Issuer (i) who are policyholders from time to time or other unsubordinated creditors of the Issuer, or otherwise rank or are expressed to rank senior to the Notes; or (ii) who are subordinated creditors of the Issuer other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the Notes.

"Solvency II" means the Solvency II Directive and any implementing measures adopted pursuant to and to give effect to the Solvency II Directive including, without limitation, the Solvency II Regulation (for the avoidance of doubt, whether implemented by way of regulation or by further directives or otherwise).

"Solvency II Directive" means Directive 2009/138/EC of the European Union (as amended) on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II).

"Solvency II Group" means the Ultimate Solvency II Regulated Entity and such other group entities as may be construed as part of its regulatory group under Solvency II or the Relevant Rules or otherwise by the Issuer Supervisor, as the case may be.

"Solvency II Regulation" means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of the business of Insurance and reinsurance (Solvency II), as amended (including, without limitation, by Commission Delegated Regulation (EU) 2019/981).

"Solvency Capital Requirement" means the Solvency Capital Requirement of the Solvency II Group, or (if at any point in time so long as any Notes remain outstanding, a solvency capital requirement under Solvency II or the Relevant Rules becomes applicable to the Issuer or the Issuer's Group) the Solvency Capital Requirement of the Issuer and/or the Issuer's Group (as appropriate), in each case whether on a solo, group or consolidated basis, referred to in, or any other capital requirement howsoever described in, Solvency II or the Relevant Rules

The Issuer shall be "**Solvent**" if:

- (a) it is able to pay its debts as they fall due; and
- (b) its Assets exceed its Liabilities.

A report as to the Solvency or lack of Solvency of the Issuer signed by two Authorised Signatories or, in certain circumstances as provided in the Trust Deed, accountants of international repute appointed by the Board of Directors or (if the Issuer is in liquidation, bankruptcy proceedings, dissolution, administration or other winding-up in the Kingdom of Sweden) its liquidator (*Sw. likvidator*), bankruptcy trustee (*Sw. konkursförvaltare*) or administrator shall in the absence of manifest error be treated and accepted by the Issuer, the Trustee and the Noteholders and Couponholders as correct and sufficient evidence thereof.

"Subsidiary" has the meaning given in the Swedish Companies Act (2005:551).

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

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

"Taxes" means taxes, duties, assessments or governmental charges of whatever nature.

"Tier 1 Capital" means capital which is treated as issued Tier 1 Capital under the Relevant Rules.

"Tier 2 Capital" means capital which is treated as issued Tier 2 Capital under the Relevant Rules.

"Ultimate Solvency II Regulated Entity" means the highest level parent company of the Issuer which is regulated under Solvency II on a consolidated basis. At the Issue Date the Ultimate Solvency II Regulated Entity was Sampo plc.

There will appear at the foot of the Conditions endorsed on each Note in definitive form the names and Specified Offices of the Paying Agents as set out at the end of this Prospectus.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The following is an overview of the provisions to be contained in the Global Notes which will apply to, and in some cases modify, the Conditions while the Notes are in global form.

1. **Exchange**

The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**") which will be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg.

The Temporary Global Note generally will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**") not earlier than 40 days after the Issue Date of the Notes upon certification as to non-U.S. beneficial ownership.

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for Definitive Notes only if one of the following events (each an "**Exchange Event**") occurs:

- (a) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available; or
- (b) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two (2) Authorised Signatories is given to the Trustee.

Thereupon (in the case of paragraph (a) above) the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer and (in the case of paragraph (b) above) the Issuer may give notice to the Trustee and the Noteholders of its intention to exchange the Permanent Global Note for Definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date a holder of the Permanent Global Note may or, in the case of paragraph (a) above, shall surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the prompt delivery (free of charge to the bearer) of, an equal aggregate principal amount of Definitive Notes in the denomination of SEK 2,000,000 and integral multiples of SEK 1,000,000 (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant Definitive Notes.

For these purposes, "**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to paragraph (a) above, in the place in which the relevant clearing system is located.

So long as the Notes are represented by the Temporary Global Note or the Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of SEK 2,000,000, notwithstanding that no Definitive Notes will be issued with a denomination above SEK 2,000,000.

2. **Payments**

On and after 27 April 2021, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Notes is improperly withheld or refused.

Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Global Note to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Principal Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership.

Payments of principal and interest in respect of the Notes will not be made within the United States.

In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note "**business day**" means 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 Sweden.

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, paragraph (b) in the definition of Presentation Date in Condition 5(e) (*Payment only on a Presentation Date*) shall be deemed deleted.

3. **Notices**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 11 (*Notices*) except that such notices shall also be published in a manner which complies with the rules and regulations of the Luxembourg Stock Exchange or of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed, such as on www.bourse.lu where the Notes are listed on the Luxembourg Stock Exchange. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

4. **Accountholders**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (which certificate or other document may comprise any form of statement or print-out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom System)) as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

5. **Prescription**

Claims against the Issuer in respect of principal and interest on the Notes represented by the relevant Global Note will be prescribed after ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the Relevant Date (as defined in Condition 18 (*Definitions*)).

6. **Cancellation**

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

7. **Euroclear and Clearstream, Luxembourg**

References in the Global Notes and this overview to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

8. **Authentication**

Neither the Temporary Global Note nor the Permanent Global Note shall become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Principal Paying Agent.

9. **Legend**

The following legend generally will appear on the Notes and any Coupons:

"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."

USE OF PROCEEDS

The net proceeds of the issue of the Notes, amounting to approximately SEK 1,494,000,000 will be applied by the Issuer for general corporate purposes.

DESCRIPTION OF THE ISSUER, THE ISSUER'S GROUP AND THE SAMPO GROUP

The Issuer

If P&C Insurance Holding Ltd (publ) (the "**Issuer**" and, together with its subsidiaries, the "**If Group**" or "**If**") (registered under the Swedish name "If Skadeförsäkring Holding AB (publ)") is the Swedish insurance holding company of the If Group. The Issuer is a public limited liability company incorporated on 25 January 1984 under the laws of, and registered in, Sweden with corporate registration number 556241-7559. The registered offices of the Issuer are in Stockholm, Sweden (visiting address: Barks väg 15, postal address: SE-106 80 Stockholm, Tel: +46 771 43 00 00).

The main role of the Issuer is to manage shares in wholly-owned property and casualty ("**P&C**") insurance operations as well as other significant holdings. The Issuer does not conduct any insurance operations. Beginning in September 2017, the Issuer has managed parts of the cash surplus in an investment portfolio of its own. On 31 December 2020, this investment portfolio amounted to SEK 2,472 million, consisting of 100 per cent. fixed income instruments. The Issuer is also the main account holder for an If Group cash pool account system comprising the major part of the flow of liquid funds from the insurance operations of the If Group. Underlying flows give rise to intra-group transactions within the Issuer's balance sheet. On 31 December 2020, the Issuer had issued tier 2 subordinated debt with a carrying amount of SEK 1,997 million and tier 1 subordinated debt with a carrying amount of SEK 995 million.

The Issuer is a wholly owned subsidiary of Sampo plc (the "**parent company**" or "**Sampo**", and together with its subsidiaries, the "**Sampo Group**"), a Finnish company listed on NASDAQ OMX Helsinki. Sampo plc is a public limited company incorporated under the laws of Finland. Its registered office and headquarters are in Helsinki, Finland.

Sampo Group

History

Currently, Sampo Group's main business areas include P&C insurance and life insurance. Sampo Group divested its 100 per cent. owned banking business in 2007 by selling the Sampo Bank Group to Danske Bank A/S.

The roots of Sampo Group's P&C insurance business reach back to the 18th century and its life insurance business dates back to the 19th century. At the beginning of 2002, the P&C insurance operations of Sampo Group were combined with the Issuer. Through this transaction and two other transactions, the Issuer became a wholly owned subsidiary of Sampo plc.

During recent years, Sampo Group has also increased its shareholdings in the Danish insurer, Topdanmark A/S ("**Topdanmark**"). In 2016, Sampo Group restructured its ownership in Topdanmark and Sampo plc acquired the entire shareholding of If in Topdanmark. As a result, Sampo plc's ownership stake in Topdanmark shares exceeded the applicable Danish threshold for mandatory offers of one third of the total outstanding votes. Consequently, Sampo plc commenced a mandatory offer to the shareholders of Topdanmark in September 2016. Following completion of the offer, Sampo plc held 41.11 per cent. of the entire share capital and all voting rights in Topdanmark.

During 2017, Sampo plc continued to acquire Topdanmark shares and, on 30 September 2017, Sampo plc held 41,997,070 Topdanmark shares which, taking into consideration the treasury shares held by Topdanmark, gave Sampo plc 49.1 per cent. share of the voting rights as of such date. Prior to 30 September 2017, Topdanmark was recorded as an associated company in Sampo Group's accounts. However, from 30 September 2017, Sampo plc has gained control (in accordance with IFRS) of Topdanmark and, accordingly, Topdanmark has been consolidated as a subsidiary in the financial reporting of Sampo Group. As of 31 December 2020, the amount of shares held by Sampo plc has remained unchanged but, due to Topdanmark using its treasury shares in its incentive scheme, Sampo plc's share of voting rights has decreased to 48.0 per cent. Sampo plc is the largest shareholder in Topdanmark.

On 5 August 2020 Sampo plc and Rand Merchant Investment Holdings Limited ("**RMI**") announced a recommended cash offer to acquire all of the issued and to be issued shares in UK Property & Casualty insurance company Hastings Group Holdings Ltd (prior to delisting in November 2020, Hastings Group Holdings Plc, "**Hastings**") that were not already owned or controlled by Sampo plc and RMI. The offer

price was GBP 250 for each Hastings share, valuing Hastings' entire issued and to be issued share capital at approximately GBP 1.66 billion or approximately EUR 1.84 billion.

Sampo plc and RMI entered into a newly formed jointly owned company for the purposes of acquiring Hastings. Following completion of the offer, Sampo plc and RMI own and control 70 per cent. and 30 per cent. of the shares and votes in the jointly owned company, respectively. RMI is a South African financial services investment holding company.

The offer was implemented by way of a court-sanctioned scheme of arrangement under English law. Following the completion of the Court Hearing procedure held on 13 November 2020, the offer became effective. The jointly owned Hastings Group (Consolidated) Limited is Sampo's subsidiary and form a separate segment in Sampo Group's financial reporting as of Q4 2020.

Sampo plc is also the largest shareholder in the Nordic banking group, Nordea Bank Abp ("**Nordea**") with a holding of 15.9 per cent. as of 31 December 2020. Sampo's shareholding in Nordea decreased below 20 per cent. in August 2019 following the distribution of an extra dividend by Sampo in the form of Nordea shares. This changed the treatment of Nordea shares in Sampo Group's own funds and the group SCR (as defined below) as the shares are treated as equity investment and consequently the change had an impact on the solvency position of Sampo Group. Sampo's holding in Nordea decreased further to the current 15.9 per cent. after Sampo sold 162 million Nordea shares in an accelerated bookbuild offering to institutional investors on 10 November 2020. Nordea has since 2009 been recorded, in accordance with IFRS, as an associated company in Sampo Group's accounts.

Direct investments

In the years 2017-2019 Sampo plc invested in six companies; Nets A/S ("**Nets**"), Saxo Bank A/S ("**Saxo Bank**"), Intrum AB (publ) ("**Intrum**"), Enento Group Oyj ("**Enento**"), Norwegian Finans Holding ASA ("**Norwegian Finans**") and Nordax. The Danish company Nets is a payment services provider in the Nordic countries and a pioneer in digital payments. Saxo Bank is a Danish fintech company specialized in online trading. Intrum is a Swedish credit management company specialized in debt collection services. Enento is a Finnish provider of digital business and consumer information services. Norwegian Finans is a Norwegian holding company, which is engaged in digital banking through its 100 per cent. owned subsidiaries Bank Norwegian AS and Lilienthal Finance Ltd. Nordax is a Swedish online bank offering consumer credit. Sampo owns 36.25 per cent. of the shares of Nordax through Nordax Holding AB, which was established for the takeover of Nordax in 2018. Sampo plc invested approximately EUR 1 billion in total in these six companies. In February 2020, Sampo plc sold its entire holding, which it had held since autumn 2018, in Intrum.

Organisational structure

Sampo Group is engaged in non-life insurance and life insurance mainly in the Nordic countries. With its acquisition of Hastings, Sampo Group is also engaged in non-life insurance in the UK.

Non-life insurance and life insurance activities are conducted by the subsidiaries the Issuer, Mandatum Life Insurance Company Ltd ("**Mandatum Life**"), Topdanmark A/S and Hastings Group (Consolidated) Limited ("**Hastings**"). The Issuer and Mandatum Life are wholly owned by the Sampo Group's parent company, Sampo plc. The parent company is a listed holding company and has no insurance or banking activities of its own. Sampo holds 46.7 per cent. of shares and 48.0 per cent. of votes in Topdanmark and 70 per cent. of shares and votes in Hastings.

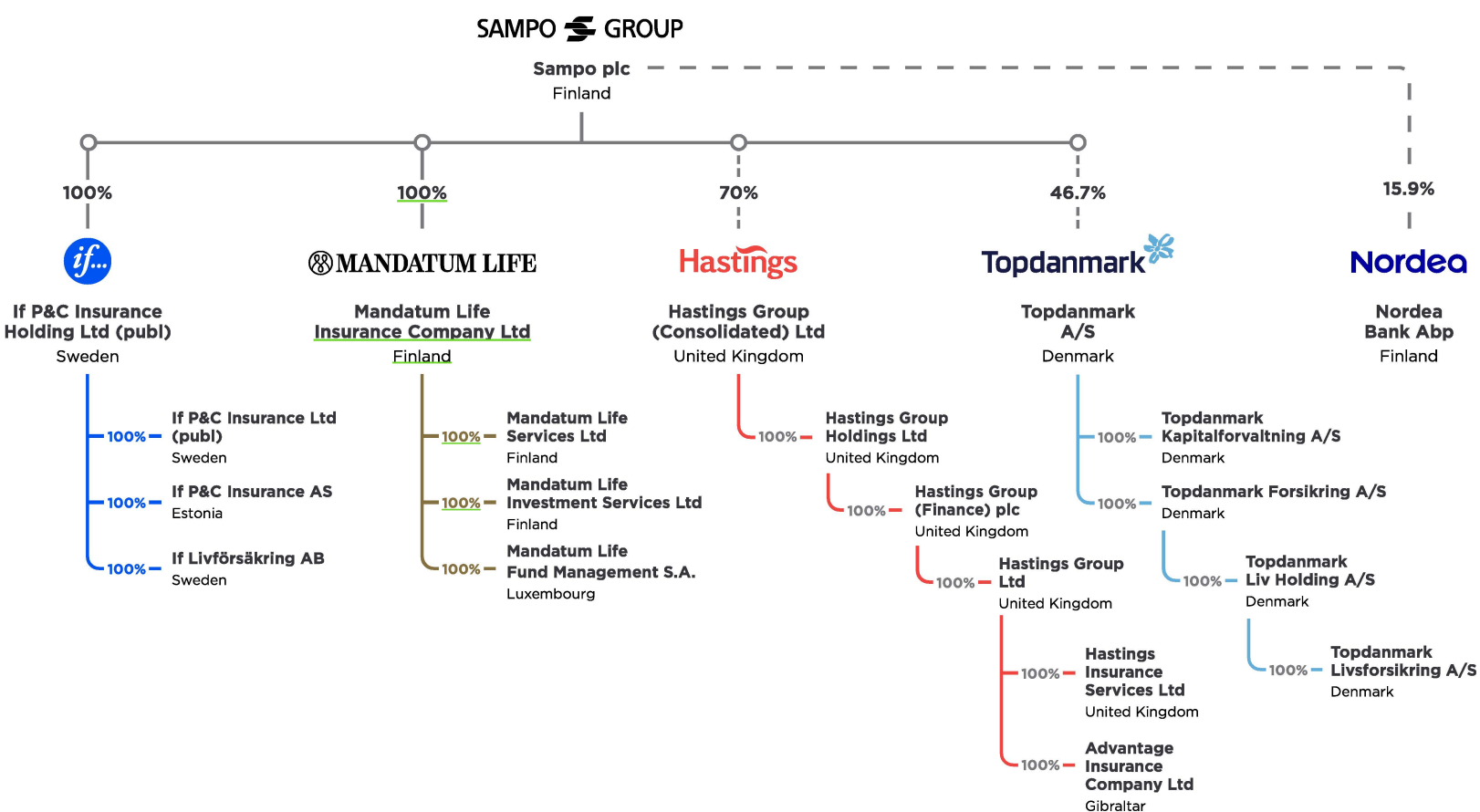
In addition to the insurance subsidiaries, as at 31 December 2020, Sampo plc held an equity stake of 15.9 per cent. in Nordea through which Sampo Group is engaged in banking business.

Sampo plc as a holding company manages its subsidiaries and associated companies separately from each other meaning that the legal sub-groups If, Mandatum Life, Topdanmark, Hastings and the associated company Nordea conduct their businesses independently of each other. The independent sub-groups have their own infrastructures and management as well as operative processes in place. In instances where the subsidiaries and the associated companies cooperate in some business areas, cooperation is conducted similarly as with any third-party.

The following table shows the Sampo Group structure (main companies):

Group Structure

31 December 2020



According to the latest available full year market share information, which is based on national insurance association statistics as of 2019, If is the largest Nordic P&C insurer with a market share of approximately 16 per cent.¹ In addition, If also commands a strong position in the Baltic insurance market, being the fourth largest P&C insurer in the Baltic region combined². P&C insurance products are sold under the If brand as well as through other brands, co-branding and in partnerships. Motor insurance is, for instance, available as car branded cover, under brands such as Volvia.

Mandatum Life is a life insurance company operating in Finland and the Baltic countries. In addition, it operates on a cross-border basis in Sweden and in Denmark. Mandatum Group provides its customers with a variety of services, including pensions, wealth management, investments, savings, personal risk insurance as well as incentive and reward solutions. Mandatum Life's range of life insurance products and services include all voluntary life and pension insurance needs for both private and corporate customers. The products offered can be categorised into unit-linked policies, with-profit policies and risk policies, although new sales are focused on unit-linked insurance and risk products. Mandatum Life's Baltic branches focus on unit-linked insurance and risk policies. Unit-linked policies allow the customer to invest insurance premiums in a variety of investment alternatives and ultimately to bear the risks related to the investments. With-profit insurance policies allow the customer to receive a guaranteed interest rate plus a possible bonus and consequently Mandatum Life bears the investment risks. In 2008 the life insurance company began using the marketing brand of Mandatum Life and extended its business model to 'asset management under insurance wrapper'. The concept is based on launching savings and investment solutions linked to insurance and capital redemption policies.

Mandatum Group announced on 12 February 2021 that it will establish Mandatum Asset Management, a business focusing on asset management, alongside its life insurance business. At the same time, Mandatum Group's corporate structure will change. In the new structure Mandatum Life and Mandatum Life Investment Services Ltd (to be renamed Mandatum Asset Management Ltd) will operate as affiliates below a new parent company Mandatum Holding Ltd.

Founded in 1996, Hastings Group is one of the leading P&C insurance providers to the UK market, with approximately 3 million live customer policies and over 3,500 employees at sites in Bexhill, Leicester, Gibraltar and London. Hastings Group provides straightforward products and services to UK car, bike, van and home insurance customers with around 90 per cent. of policies directly underwritten by Hastings' Gibraltar-based underwriting business, Advantage Insurance Company Limited. The UK P&C insurance market is characterized by its high levels of digital distribution and Hastings Group is one of the leading distributors of motor insurance policies in this market.

Topdanmark Forsikring is the second largest non-life insurance company in Denmark with a market share of approximately 16 per cent.³ It operates mainly within personal-, SME- and agriculture client segments. Topdanmark's strategy is to have the material part of its risks in Denmark. Topdanmark is also engaged in life insurance in Denmark. Topdanmark Livsforsikring offers pension schemes with profit as well as market interest pensions products, including life insurance covers and health insurance.

As a large insurance group, Sampo Group is also one of the largest investors in the Nordic countries.

Mission and Strategy

Sampo Group's mission is to generate value for its shareholders. Value is created through efficient and highly profitable operating units and by investments in situations offering significant upside potential with manageable downside risk. Shareholders benefit from the value creation through dividends. According to the dividend policy Sampo plans to pay the majority of its net profits as dividends to shareholders.

Financial development in 2020⁴

Sampo Group has prepared consolidated financial statements for 2020 in compliance with IFRS as adopted by the European Union. Sampo Group's profit before taxes for 2020 amounted to EUR 380 million (EUR

¹ Source: Nordic market share is an estimate based on national insurance association statistics.

² Source: Baltic market share is an estimate based on national insurance association statistics.

³ Source: Forsikring & Pension (Q4 2019).

⁴ Source: Sampo Q4's.

1,541 million in 2019). The profit was impacted by the impairment loss of EUR 899 million and the sales loss of EUR 262 million on Nordea shares in the fourth quarter of 2020. Without the extraordinary items relating to Sampo's holding in Nordea, the profit before taxes would have been EUR 1,541 million for 2020.

Sampo Group's balance sheet assets as of 31 December 2020 amounted to EUR 56,529 million (EUR 51,939 million in 2019), of which, the total amount of financial assets was EUR 24,420 million (EUR 23,443 million in 2019). Reported investment income was EUR 1,383 million (EUR 2,515 million in 2019).

Sampo Group's equity as of 31 December 2020 amounted to EUR 12,258 million (EUR 12,542 million in 2019). Equity was increased by the comprehensive result for the year of EUR 434 million. The largest reduction was the payment of dividends of EUR 833 million.

Financial development in 2011-2020

The development in profit before taxes for each segment of the Sampo Group since 2011 is presented in the table below (millions of EUR)⁵. Due to the start of the consolidation of Topdanmark as a subsidiary, Sampo Group's 2017 results for Topdanmark contain a non-recurring profit of EUR 706 million as the difference between the carrying value and the fair value of Sampo's holding on 30 September 2017. Sampo Group's 2018 results for Mandatum Life contain a non-recurring contribution of EUR 197 million from the Danske Bank co-operation agreement. The result for 2019 contain negative non-recurring items from Nordea's third quarter result and the EUR 155 million valuation loss from the extra dividend, which Sampo paid in the form of Nordea shares in August 2019. The results for 2020 contain two negative non-recurring items. The loss on sale of Nordea shares of EUR 262 million in November 2020 and the impairment loss on Nordea shares of EUR 899 million at the end of 2020.

Development in profit before taxes in millions of EUR 2011-2020⁶:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
If	636	858	929	931	960	883	818	848	884	901
Mandatum Life	137	136	153	163	181	210	236	450	280	154
Nordea	534	653	635	680	751	773	616	625	135	-734
Other	-80	-31	-49	-14	-4	5	-36	-27	4	-92
Topdanmark							848	199	238	167
Hastings										-16
Sampo Group	1,228	1,616	1,668	1,759	1,888	1,871	2,482	2,094	1,541	380

The development in net profit after taxes, total comprehensive income as well as dividend payments (proposed dividend for the year 2020) for Sampo Group since 2011 is presented in the table below (millions of EUR). Sampo aims to pay at least 70 per cent. of Sampo Group's net profit (excluding extraordinary items) as dividends. Share buy-backs can be used to complement the dividend.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ⁷
Net profit	1,038	1,408	1,452	1,540	1,656	1,650	2,239	1,778	1,237	112
Total comprehensive income	686	1,887	1,425	1,179	1,564	1,760	2,146	1,034	1,565	434
Dividend for the financial year	672	756	924	1,092	1,204	1,288	1,444	1,583	833	944

Recent Developments

On 24 February 2020, Sampo Group announced new financial targets for 2021 to 2023, including that the If Group's Combined Ratio is targeted to remain below 85 per cent. and the Sampo Group Solvency II ratio to be between 170 per cent. to 190 per cent.⁸

⁵ Source: Sampo Group Financial Statement Releases for years 2011-2019 and the Sampo Q4's.

⁶ Source: Sampo Group Financial Statement Releases for years 2011-2019 and the Sampo Q4's

⁷ Net profit excluding extraordinary items EUR 1,273 million. Total comprehensive income excluding extraordinary items EUR 1,556 million.

⁸ Source: Sampo Group Capital Markets Day announcement 24 February 2021

Capital position and Solvency

The Sampo Group regulatory capital requirements and own funds are calculated under the Solvency II Directive. Until 21 October 2019, Sampo Group also calculated the group solvency under the Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate (the "**Conglomerate Directive**"). In connection with the extra dividend which Sampo plc distributed in the form of Nordea shares in August 2019, Sampo plc filed an application with the Finnish Financial Supervisory Authority for the termination of the Financial and Insurance Conglomerate (FICO) rules. The application was approved on 21 October 2019. The conglomerate solvency ratio was reported for the last time on 30 September 2019 and since then Sampo Group's solvency is calculated only by the Solvency II rules. Further, as a result of the extra dividend which Sampo plc distributed in the form of Nordea shares in August 2019, Nordea was deconsolidated from the Solvency II own funds and SCR and is as of 30 September 2019 treated as an equity investment in Sampo Group's solvency under the Solvency II Directive. For the purposes of the Conditions, only the regulatory capital requirement and own funds under the Solvency II Directive are relevant, and not those of the Conglomerate Directive. For the avoidance of doubt in the next sections all concepts, figures and ratios are based on the Solvency II Directive, unless otherwise stated.

Solvency II Directive

Solvency II is a regulatory framework for insurance companies and groups where solvency capital requirements and own funds are risk-based and based on economic valuation principles. According to the Solvency II regulation, Sampo Group is subject to two regulatory intervention points. The first intervention point is the ratio of eligible own funds to group solvency capital requirement ("**SCR**") including other financial sectors and the undertakings included via deduction and aggregation ("**Sampo Group ratio of eligible own funds to group SCR**"). The second intervention point is the ratio of eligible own funds to minimum consolidated group SCR ("**Sampo Group ratio of eligible own funds to minimum consolidated group SCR**"). The Solvency II standard formula is applied for Sampo Group as well as all its subsidiaries when calculating their SCRs, which contribute to the consolidated group SCR. If P&C Insurance Ltd. (publ) and Topdanmark apply a partial internal model for part of their business (mainly non-life underwriting risks) when calculating their own SCR's.

Sampo Group ratio of eligible own funds to group SCR

Sampo Group's own funds for deriving its ratio of eligible own funds to group SCR are calculated from its consolidated Solvency II balance sheet. Asset and liabilities are valued in accordance with article 75 of the Solvency II Directive. This means that the values are determined at the amount for which the assets could be exchanged and the liabilities could be transferred or settled, between knowledgeable willing parties in an arm's length transaction (i.e. on an economic value basis). Transitional measures are applied on Mandatum Life's technical provisions in respect of original pension policies with 3.5 per cent. and 4.5 per cent. guarantee rates. Also, the volatility adjustment is applied when calculating Mandatum Life's technical provisions. Topdanmark applies a volatility-adjusted Solvency II interest rate curve as well when calculating its technical provisions.

The Sampo Group group SCR is calculated through two phases:

- (i) The capital requirements of other risks than FX risk and concentration risk are calculated for the consolidated group including respective standard formula SCRs of the parent company Sampo plc, If, Mandatum Life, Topdanmark and Hastings. The company SCRs may include the simplifications and other options as applied by them. The capital requirement of FX risk and concentration risks are calculated based on group-wide exposures calculated separately for this purpose. Regarding FX risk requirement also the translation risk exposures related to the Swedish krona denominated equity of If, Danish krone denominated equity of Topdanmark and pound sterling denominated equity of Hastings are considered. Diversified capital requirement for the consolidated group SCR is then calculated from these risk specific SCRs.
- (ii) Sampo plc's share of the capital requirement of Nordax and other related undertakings, that are not a part of the consolidated SCR, is added to the consolidated group capital requirement.

Transitional measures are used for equity risk when calculating the Sampo Group group SCR. As of 31 December 2020, the Sampo Group ratio of eligible own funds to group SCR was 176 per cent.

Prior to 30 September 2019 Sampo's share of Nordea's capital requirement was added to the consolidated group SCR according to the sectoral rules and without any diversification effects and, as a consequence, the earlier years' solvency positions and ratios are not fully comparable with Sampo Group solvency as of 30 September 2019 and onwards.

Sampo Group ratio of eligible own funds to minimum consolidated group SCR

Sampo Group's own funds for deriving its ratio of eligible own funds to minimum consolidated group SCR is calculated from the consolidated Solvency II balance sheet including If, Mandatum Life, Topdanmark, Hastings and holding company Sampo plc. The Minimum Consolidated Group SCR ("MCR") is determined by adding up the solo MCRs of the insurance entities consolidated for the Group SCR calculation. As of 31 December 2020, the Sampo Group ratio of eligible own funds to minimum consolidated group SCR was 626 per cent.

As there is no concept of a minimum capital requirement on a group basis, in accordance with article 331(2)(b) of the Solvency II Delegated Regulation (EU) 2015/35, the MCR applicable to the Sampo Group refers to the minimum consolidated group SCR.

Overview of Sampo Group Solvency ratios

All operating insurance companies within the Sampo Group met their regulatory solvency capital requirements under Solvency II as of 31 December 2018, 31 December 2019 and 31 December 2020.

Sampo Group eligible own funds, group SCR and minimum consolidated group SCR and their respective ratios as of 31 December 2018, 31 December 2019 and 31 December 2020:

	31 December 2018	31 December 2019	31 December 2020
	<i>(millions of EUR)</i>		
Total eligible own funds to meet the group SCR	10,355	10,622	9,978
Group SCR	7,413	6,108	5,670
Ratio of eligible own funds to group SCR	140%	174%	176%
Total eligible own funds to meet the minimum consolidated group SCR	2,908	9,590	7,918
Minimum consolidated group SCR	1,132	1,239	1,265
Ratio of eligible own funds to minimum consolidated group SCR	257%	774%	626%

The Sampo Group's group SCR composition as of 31 December 2018, 31 December 2019 and 31 December 2020:

	31 December 2018	31 December 2019	31 December 2020
	<i>(millions of EUR)</i>		
Consolidated group SCR	3,572	6,009	5,551
Nordea ⁹	3,779	-	-
Nordax	59	86	81
Other related undertakings	2	14	38
Sampo Group SCR	7,413	6,108	5,670
	31 December 2018	31 December 2019	31 December 2020
	<i>(millions of EUR)</i>		
Market risk	n/a	5,843	5,069
Counterparty risk	n/a	216	241
Insurance risk	n/a	1,709	1,952

⁹ As of 30 September 2019 and onwards, Nordea is part of the Consolidated group SCR as a normal equity holding.

Operational risk	n/a	253	305
Diversification	n/a	-989	-1,077
Loss absorbing capacity of deferred taxes	n/a	-642	-644
Loss absorbing capacity of technical provisions	n/a	-382	-295
Nordax and other related undertakings	n/a	100	119
Sampo Group SCR	n/a	6,108	5,670

Sampo Group Solvency II ratio of eligible own funds to group SCR estimated sensitivity scenarios as of 31 December 2020:¹⁰

Base case 31/12/2020	176%
RFR: -100 bps	162%
RFR: +100 bps	186%
Spreads: +100 bps	172%
Equity prices -10%	180%
Equity prices -20%	179%
Equity prices -30%	168%

If Group

History

The If Group's P&C insurance business is centred around the Nordic (specifically Finnish, Norwegian, Swedish and Danish) insurance markets. The current operations of the Issuer and If P&C Insurance Ltd. (publ) in Sweden were formed in March 1999, through the merger of the P&C insurance operations of Försäkringsaktiebolaget Skandia (publ) in Sweden and Storebrand ASA in Norway. In January 2002, the P&C insurance operations of the Sampo Group were acquired by the Issuer.

The following insurance companies are wholly-owned by the Issuer: If P&C Insurance Ltd. (publ) and If Livförsäkring AB in Sweden (the latter company having been acquired from Sampo in 2008) and If P&C Insurance AS in Estonia. In October 2017, the If Group structure was consolidated through the merger of If P&C Insurance Company Ltd (Finland) and If P&C Insurance Ltd. (publ).

The If Group's operations in Denmark, Norway, Finland, and to a limited extent in Estonia and Latvia, are mainly conducted via branches of If P&C Insurance Ltd. (publ) in each country. In addition, If P&C Insurance Ltd. (publ) has branch offices in France, the Netherlands, the United Kingdom and Germany to support customers with international operations. The Estonian company If P&C Insurance AS also conducts operations in Latvia and Lithuania via branches. If Livförsäkring AB also conducts operations in Norway and Denmark.

In January 2020, the Issuer acquired the Norwegian company Viking Redningstjeneste Topco AS, which in December 2020 changed its name to Viking Assistance Group AS ("**Viking**"). Viking is one of the leading roadside assistance companies in the Nordic countries with over 3,000 employees in its franchise network and 320 stations.

Vision and Strategy

The If Group's vision is to offer insurance solutions that provide customers with security and stability in their daily lives and business operations with such excellence that the If Group is the preferred insurance provider in the Nordic and Baltic markets - expressed through the customer promise: "By your side". The If Group works to fulfil this through processes and methods focused on ensuring that its customers are appropriately insured and in the instances where the insured risk materialises, helping its customers to rebuild and recover from the resulting losses.

In order to fulfil this vision, the If Group has two main strategic objectives:

- Best in Risk

¹⁰ The Solvency II volatility adjustment applied by Mandatum Life and Topdanmark is assumed to increase by 25 bps in the spread stress. The Solvency II symmetric adjustment of the equity capital charge was -0.48 per cent. at the end of Q4 2020.

- Best-in-Risk, or underwriting excellence has always been a key strategic priority at If. Key areas continue to be understanding risks better than competitors, setting the right prices, and offering the best products and services. To achieve this If must have a strong in depth understanding of customers' insurance needs to provide correct insurance cover. This enables If to both have stable profitability and at the same time offer attractive and stable prices to its customers.
- Best on Customer Service
 - Underwriting excellence in combination with strong customer focus have proven successful for both retaining existing customers and attracting new ones. Customer focus is at the top of each employee's agenda as one of the most important focus areas throughout the organization. If strives to provide the best customer experience in every interaction by systematically improving its operations. This is supported by a high investment pace in IT and digital solutions including a Nordic digital platform which enables pan-Nordic, cross business area efficiency.

The If Group's financial target is to achieve a long-term Return on Equity of at least 17.5 per cent. (after tax).

Business overview

The If Group is one of the leading insurers in Sweden, Norway and Finland with market shares of 18 per cent., 21 per cent. and 21 per cent. respectively¹¹. In the Danish market, the If Group (not including Sampo's share in Topdanmark) is the seventh largest insurer (by market share) with a market share of 6 per cent¹². The If Group also commands a strong position in the Baltic insurance markets, holding approximately 10 per cent. of the total market¹³. In the relatively consolidated Estonian P&C insurance market, the If Group is the third largest insurer with a market share of 19 per cent.¹⁴. In Latvia and Lithuania, where markets are more fragmented, the If Group is the fifth largest P&C insurer, with a market share of 7 per cent. in Latvia¹⁵ and 7 per cent. in Lithuania¹⁶.

The Nordic P&C insurance market is relatively consolidated. The four largest players account for approximately 70 to 90 per cent. of the markets in Norway, Finland and Sweden (by market share) and many are established in more than one Nordic country. In Denmark, the market is less consolidated.

Since the beginning of the year 2000, the Nordic P&C market has generally experienced good profitability. The low interest rate environment has become the new normal for the P&C insurance industry, producing lower rates of return on insurers' investment portfolios. As a result, the industry's focus on underwriting profitability has, in general, increased during the past years and at the same time competition remains intense in all markets. Other market characteristics include high customer retention and generally low expense ratios, in the range of 15 to 20 per cent., among most of the leading insurers. From a distribution perspective, the internet continues to grow in importance, from sales and services to claims handling, in addition to the more traditional distribution channels. Distribution through partnerships with, for instance, banks and car-dealers is also important. Efficiency improvements continue to be sought across the P&C industry. Digital exploration and continued high investment levels in IT remain the key strategic focus for most main actors.

In the Baltic region, insurance markets have consolidated during the past years which has resulted in an improved financial discipline and financial results.

The If Group conducts its business on a pan-Nordic basis and its operations are divided into the Private, Commercial and Industrial business areas with the operations in the Baltic countries constituting a separate business area within the If Group. Reporting and management are conducted and organised by business

¹¹ Source: SE: Svensk Försäkring (Q3 2020), NO: Finans Norge (Q3 2020) and FI: Finanssialan Keskusliitto (Q4 2019).

¹² Source: DK: Forsikring & Pension (Q4 2019).

¹³ Source: Baltic market share is an estimate based on statistics from Financial Supervisory Authorities and Research Center SKD.

¹⁴ Source: EE: Statistics Estonia (Q3 2020).

¹⁵ Source: LV: Financial Supervisory Authority (Q3 2020).

¹⁶ Source: LT: Financial Supervisory Authority (Q3 2020).

area divisions rather than based on legal structure. As of January 2021, claims have been reorganized into one Nordic unit which will support the Private, Commercial and Industrial business areas. The If Group's corporate functions such as IT, Human Resources, Communications, Internal Audit and Risk Management are also organised on a Nordic regional basis (rather than based on the legal structure).

Premium volume and Results

For the year ended 31 December 2020, the If Group reported Gross Written Premiums of SEK 50,582 million (2019: SEK 49,484 million).

The If Group's portfolio covers a large number of customers and the business is underwritten in different geographical areas and across several classes of insurance focusing on different customer types:

Business Area Private

57 per cent. of the If Group's Gross Written Premiums in the year ended 31 December 2020 were attributed to the "Private" business area ("**BA Private**") (2019: 58 per cent.). BA Private provides insurance to individuals, including property, motor, accident & health insurance, as well as supplementary insurances such as travel and boat. BA Private has more than 3 million customers (2020). Distribution channels include car partners, customer centres, sales force and the internet. BA Private reported a Combined Ratio of 76.0 per cent. for the year 2020 (2019: 82.0 per cent.).

Business Area Commercial

25 per cent. of the If Group's Gross Written Premiums in the year ended 31 December 2020 were attributed to the "Commercial" business area ("**BA Commercial**") (2019: 25 per cent.). BA Commercial provides insurance to small and medium sized companies (with up to 500 employees), through a combination of standardised insurance products and solutions together with more specialised insurance products, solutions and counselling. Areas in which BA Commercial provides products and solutions include property, liability, motor, marine & transport, accident & health, as well as workers' compensation. BA Commercial has approximately 340,000 customers (2020). Distribution channels include call centres, sales force, partners/external channels and brokers. BA Commercial reported a Combined Ratio of 85.8 per cent. for the year 2020 (2019: 88.3 per cent.).

Business Area Industrial

15 per cent. of the If Group's Gross Written Premiums in the year ended 31 December 2020 were attributed to the "Industrial" business area ("**BA Industrial**") (2019: 14 per cent.). BA Industrial's customer base consists of large companies with individual turnover exceeding SEK 500 million, with more than 500 employees and complex insurance requirements. Areas in which BA Industrial provides products and solutions include property, liability, motor, transport, accident & health, as well as workers' compensation. BA Industrial has approximately 1,500 customers (2020). Distribution of premiums include brokered and non-brokered business. BA Industrial reported a Combined Ratio of 109.0 per cent. for the year 2020 (2019: 89.3 per cent.).

Business Area Baltic

3 per cent. of the If Group's Gross Written Premiums in the year ended 31 December 2020 were attributed to the "Baltic" business area ("**BA Baltic**") (2019: 3 per cent.). The If Group has offered P&C insurances in the Baltic countries since 1992. The Baltic operations cover both private individuals and corporate customers. Products include property, liability, motor, marine & transport, as well as accident & health insurance. BA Baltic has approximately 300,000 customers (2020). BA Baltic reported a Combined Ratio of 86.6 per cent. for the year 2020 (2019: 87.0 per cent.).

A breakdown of the If Group's operations into geographical areas and lines of business is set out in the tables below.

Gross Written Premium per country as at 31 December 2019 and as at 31 December 2020:

	2019	Percentage of total	2020	Percentage of total
	<i>(millions of SEK)</i>	<i>(%)</i>	<i>(millions of SEK)</i>	<i>(%)</i>
Sweden.....	17,366	35	18,109	36
Norway.....	15,679	32	15,235	30
Finland.....	10,190	21	10,474	21
Denmark.....	4,673	9	5,165	10
Baltic.....	1,576	3	1,598	3
Total	49,484	100	50,582	100

Gross Written Premium per line of business as at 31 December 2019 and as at 31 December 2020:

	2019	Percentage of total	2020	Percentage of total
	<i>(millions of SEK)</i>	<i>(%)</i>	<i>(millions of SEK)</i>	<i>(%)</i>
Fire and other damage to property.....	13,577	27	14,061	28
Motor, other classes	14,546	29	14,766	29
Accident and health.....	8,760	18	8,710	17
Motor, third party liability.....	5,728	12	5,556	11
Third party liability	2,463	5	2,497	5
Marine, air and transport	1,159	2	1,284	3
Other	3,251	7	3,708	7
Total	49,484	100	50,582	100

The If Group's operating profit before tax for the year ended 31 December 2020 amounted to SEK 9,451 million (2019: SEK 9,333 million). The Combined Ratio, expressed as a percentage, for the same period was 82.1 per cent. (2019: 84.5 per cent.). The risk of severe insurance outcomes is mitigated through reinsurance and since 2003, a Nordic-wide reinsurance programme has been in place within the If Group. In 2020, the retention levels were between SEK 100 million and SEK 250 million per risk and SEK 250 million per event (an event being a reinsurance limit which applies on an aggregated level, to all claims caused by a single event).

A breakdown of the If Group's Technical Results into business areas is set out in the table below.

Technical Results per business area as at 31 December 2019 and as at 31 December 2020:

	2019	2020
	<i>(millions of SEK)</i>	<i>(millions of SEK)</i>
BA Private.....	5,009	6,801
BA Commercial	1,488	1,812
BA Industrial.....	527	-435
BA Baltic	202	210
Other	23	113
Total	7,250	8,502

Profit after taxes for the year ended 31 December 2020 amounted to SEK 7,405 million (2019: SEK 7,301 million). Total comprehensive income for the period was SEK 7,471 million (2019: SEK 9,388 million). On 31 December 2020, shareholders' equity amounted to SEK 30,868 million for the If Group (31 December 2019: SEK 29,697 million). During 2020, SEK 6,300 million in dividend was paid to Sampo plc. Over the last 5 years, the If Group's dividends have averaged approximately 92 per cent. of profit after taxes.

The If Group has over many years presented a strong and stable financial result supported by underwriting excellence with high discipline in risk selection and pricing as well as improvements in operational efficiency. The Combined Ratio (as well as the claims and Expense Ratio and the risk and Cost Ratio) and post-tax annual profit development for the last ten years for the If Group is shown in the tables below.

Claims Ratio, Expense Ratio and Combined Ratio 2011-2020:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Claims Ratio	74.7%	72.0%	71.4%	70.9%	72.4%	67.8%	68.9%	68.8%	68.4%	66.4%
Expense Ratio	17.3%	16.9%	16.8%	16.7%	13.0%	16.6%	16.4%	16.4%	16.1%	15.8%
Combined Ratio	92.0%	88.9%	88.1%	87.7%	85.4%	84.4%	85.3%	85.2%	84.5%	82.1%

Risk Ratio, Cost Ratio and Combined Ratio 2011-2020:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Risk Ratio	68.4%	65.9%	65.4%	65.1%	66.6%	62.3%	63.3%	63.3%	62.7%	60.7%
Cost Ratio	23.5%	23.0%	22.8%	22.5%	18.8%	22.1%	22.0%	21.9%	21.8%	21.5%
Combined Ratio	92.0%	88.9%	88.1%	87.7%	85.4%	84.4%	85.3%	85.2%	84.5%	82.1%

Combined Ratio per business area 2011-2020:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Private	91.9%	88.1%	87.8%	87.4%	88.1%	83.2%	84.0%	83.7%	82.0%	76.0%
Commercial	92.8%	89.0%	88.6%	88.6%	89.2%	86.3%	88.0%	86.9%	88.3%	85.8%
Industrial	91.8%	95.8%	91.5%	89.0%	99.4%	88.6%	88.7%	92.3%	89.3%	109.0%
Baltic	84.5%	87.1%	88.4%	86.8%	85.7%	89.8%	88.9%	88.8%	87.0%	86.6%

Combined Ratio per country 2011-2020:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sweden	95.6%	95.8%	93.5%	94.6%	86.8%	83.1%	84.5%	79.7%	76.5%	72.3%
Norway	88.0%	81.3%	83.3%	82.0%	88.0%	84.8%	80.8%	85.7%	88.4%	86.6%
Finland	94.0%	89.5%	88.5%	89.7%	94.9%	82.4%	88.3%	88.6%	87.4%	88.0%
Denmark	93.4%	99.4%	91.3%	83.6%	90.8%	95.4%	98.8%	98.1%	94.1%	92.3%

Post-tax annual profit in millions of SEK 2011-2020:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net profit	4,186	5,883	6,472	6,741	6,763	10,703	6,148	6,784	7,301	7,405

The capital gain related to the sale of Topdanmark shares to Sampo plc in September 2016 amounted to SEK4,044 million and had a positive effect on the annual profit for 2016.

Asset management

Investment decisions in relation to the If Group's centralised investment management are, within the framework of the If Group's investment policy, outsourced to Sampo plc in accordance with asset management agreements between the If Group and Sampo plc. Allocation of investment assets is based on the overall risk appetite, risk tolerance, regulatory requirements, rating targets and the nature of the technical provisions.

The If Group's investment portfolio should at all times comply with the investment policy. The investment policy prescribes restrictions, limitations and the decision making structure in respect of different investment classes, which Sampo plc must observe when managing the If Group's investment assets. Sampo plc undertakes to comply with and is responsible for ensuring that internal and external sub-managers comply with all restrictions, limitations, rules and regulations stated in the investment policy.

The market value of the If Group's investment assets as at 31 December 2020 was SEK 112,897 million (excluding currency derivatives) (31 December 2019: SEK 116,058 million). The Investment Result Mark to Market for 2020 amounted to SEK 2,548 million (2019: SEK 5,740 million), corresponding to an Investment Return Mark to Market of 2.3 per cent. (2019: 5.0 per cent.). In the annual report income statement, which excludes changes in unrealised gains/losses, the Investment Result in Income Statement amounted to SEK 1,529 million (2019: SEK 2,707 million) and the Investment Return in Income Statement was 1.4 per cent. (2019: 2.4 per cent.). As at 31 December 2020, the fair value reserve amounted to SEK 5,594 million, increasing from SEK 4,771 million as at 31 December 2019.

The return on the If Group's equity portfolios was 11.0 per cent. for the year 2020 (2019: 34.1 per cent.). The return on the If Group's portfolio of fixed-income assets was 1.6 per cent. (2019: 2.3 per cent.).

The average Duration of fixed-income assets was 1.4 years as at 31 December 2020 (2019: 1.3 years). At the same date the Average Maturity of fixed-income assets was 2.8 years (2019: 2.8 years).

The equity weight (including derivative instruments) was unchanged at 11.7 per cent. as at 31 December 2020 (compared with 11.7 per cent. as at 31 December 2019). The proportion of fixed income investments as a proportion of the If Group's total investment portfolio was unchanged at 88.3 per cent as at 31 December 2020 (compared with 88.3 per cent. as at 31 December 2019).

Investment allocation:

31 December 2020	% of total
------------------	------------

	(millions of SEK)	
Covered bonds.....	25,223	22.3
Government bonds*	9,802	8.7
Money market	4,066	3.6
Other fixed income.....	60,572	53.7
Equity.....	13,064	11.6
Private equity	136	0.1
Real estate	35	0.0
Total	112,897	100

* includes government guaranteed and public sector.

Fixed income portfolio by rating as at 31 December 2020:

AAA	34%
AA	10%
A	15%
BBB	22%
BB & lower	5%
Non-rated	14%

Fixed income portfolio by country as at 31 December 2020:

Nordic countries	87%
United States	2%
UK	2%
Other	9%

Fixed income portfolio by sector as at 31 December 2020:

Financial institutions	30%
Covered bonds	25%
Government bonds*	10%
Real estate	10%
Consumer products	6%
Utilities	3%
Other	17%

* Includes government guaranteed and public sector.

The Investment Result Mark to Market (Investment Result MTM) and the Investment Result in Income Statement (Investment Result IS) in millions of SEK for the years 2011-2020 are shown in the table below:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Investment Result MTM	1,822	5,975	4,940	4,313	1,714	3,186	2,995	-838	5,740	2,548
Investment Result IS	3,175	3,617	3,654	3,614	3,184	1,893	2,389	2,648	2,707	1,529

The Investment Return Mark to Market (Investment Result MTM) and the Investment Return in Income Statement (Investment Result IS) for the years 2011-2020 are shown in the table below:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Investment Return MTM	1.8%	6.1%	5.0%	4.1%	1.5%	2.9%	2.6%	-0.8%	5.0%	2.3%
Investment Return IS	3.1%	3.7%	3.7%	3.4%	2.8%	1.8%	2.1%	2.4%	2.4%	1.4%

Technical Provisions (Reserves)

Premiums are paid in advance, hence it is necessary to set provisions for premiums not yet earned. Furthermore, claims are paid after they have occurred, so it is also necessary to set aside provisions for claims not yet paid. The technical provisions are the sum of provisions for premiums not yet earned and provisions for claims not yet paid.

Technical provisions include an inherent degree of uncertainty as such provisions represent an estimate of the size and the frequency of future claims payments. The uncertainty of technical provisions is normally greater for new portfolios for which complete run-off statistics are not yet available, and for portfolios that include claims which take a long time to settle which include (but are not limited to) products relating to workers' compensation, motor third party liability, personal accident and liability insurance.

The If Group's gross technical provisions as at 31 December 2020 were SEK 88,629 million (SEK 91,704 million at the end of December 2019). Adjusted for exchange rate effects in the conversion of provisions made in foreign currencies, the level of gross provisions increased by SEK 987 million in 2020. Exchange-rate effects decreased the gross technical provisions by SEK 4,061 million. The If Group's technical provisions are, with the exception of annuity related provisions, reported with undiscounted values in the IFRS accounts.

Reinsurance is bought to balance the relationship between risk and solvency capital for the If Group and is the portion of the risk transferred to another (re)insurer. The proportion of technical provisions held by the If Group's reinsurers increased by SEK 991 million in fiscal year 2020 adjusted for exchange rate effects and was SEK 2,844 million as at 31 December 2020 (SEK 2,194 million at the end of December 2019). Exchange rate effects decreased the reinsurers' share of technical provisions by SEK 341 million.

The net technical provision per product and country is set out below:

	Sweden		Norway		Finland		Denmark		Baltics	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
	<i>(millions of SEK)</i>									
Motor and Motor Third Party Liability.....	22,143	19,568	5,579	4,781	10,661	10,463	1,672	1,513	1,157	1,154
Workers' Compensation	-	-	1,943	1,581	12,209	11,776	2,699	2,720	-	-
Liability.....	2,921	2,863	1,189	1,123	1,098	1,089	803	768	274	274
Accident.....	3,871	4,139	4,152	3,858	1,770	1,822	1,084	1,067	74	67
Property and Other	4,204	4,954	5,146	5,011	2,494	2,434	1,077	1,365	360	418
Marine, Air and Transport....	266	338	378	323	83	88	179	203	25	25
Total	33,404	31,861	18,387	16,678	28,315	27,672	7,514	7,636	1,890	1,938

The Duration of the provisions, and thus the sensitivity to changes in interest rates, varies with each product portfolio. The weighted average Duration for 2020 across all product portfolios was 6.5 years (2019: 6.5 years). Anticipated movement in future inflation is taken into account in the evaluation of technical provisions and are of particular importance for claims settled over a long period of time.

As at 31 December 2020, gross provisions for claims outstanding amounted to SEK 66,130 million for the If Group (SEK 69,239 million at the end of December 2019). Net provisions for claims outstanding amounted to SEK 63,874 million (SEK 67,568 million at the end of December 2019). Reserve Ratios (the provision for claims outstanding for own account in relation to either (i) paid claims for own account, or (ii) in relation to premiums written for own account) remained strong and were 136 per cent. of Net Written Premiums and 201 per cent. of claims paid as at 31 December 2020.

Risk Management System

The If Group has an effective Risk Management System comprising strategies, processes and reporting procedures which are necessary to identify, measure, manage, monitor and report potential or actual risks on a continuous basis at an individual and aggregated level and their interdependencies. The Risk Management function facilitates the implementation and development of the Risk Management System within the If Group.

The Risk Management System is part of the larger Internal Control System and spans across the If Group covering both the legal and operational structure thereby giving an integrated approach to risk management throughout the Group. It also ensures that all risks are managed from a group-wide perspective.

The objectives of the Risk Management System are to create value for the If Group's stakeholders by securing its long-term solvency, minimising the risk of unexpected financial loss and giving input to business decisions by taking into account the effect on risk and capital.

The core competences of business are skilful pricing of risks inherent in business operations and proper management of arising risk-exposures and capital needed to cover these risks.

Risk Management Strategy

The If Group's risk management strategy is part of the governing principles for its operations. The Risk Management policy defines the overall risk strategy and risk appetite for the business. The risk management strategies comprise:

- ensure strong governance structure to optimise development and maintenance;
- ensure a sound and well-established internal control and risk culture in If;
- ensure adequacy of capital in relation to risks and risk appetite;
- limit fluctuations in the economic values of group companies;
- ensure strong financial data management;
- ensure that risks affecting the profit and loss account and the balance sheet are identified, assessed, managed, monitored and reported;
- ensure that the riskiness of the insurance business is reflected in the pricing;
- ensure adequate long-term investment returns within set risk levels;
- ensure well working and efficient reporting processes compliant with external and internal requirements; and
- safeguard If's reputation and ensure that customers and other stakeholders have confidence in If.

The Risk Appetite Framework

The If Group's risk appetite framework defines the boundaries for what risk the If Group is willing to accept in the pursuit of its objectives. The risk appetite framework includes the risk appetite statement, capital adequacy, policies, processes, controls, and systems through which the risk appetite is established, communicated and monitored.

The risk appetite framework, the risk profile and the status of the If Group's capital are analysed and reported in the quarterly own risk and solvency assessment ("ORSA") process which includes analysis of the capital adequacy and regulatory capital requirements under various risk scenarios. Consequently, the process influences the If Group's capital management, business planning and product development and design.

Responsibilities within the Risk Management System

The Board of Directors

The Board of Directors is the corporate body with overall responsibility for internal control and ensuring that the If Group has an appropriate Risk Management System and processes in place. The Board of Directors approves the Risk Management Policy and other risk related policies, receives risk reporting from the Risk Management function as well as from the Chief Executive Officer ("CEO") and take an active part in and direct the forward-looking ORSA process.

CEO

The CEO is responsible for organising and overseeing the daily business activities in accordance with instructions and guidelines from the Board of Directors. The CEO has the ultimate responsibility for the effective implementation of the Risk Management System by ensuring appropriate risk management set-up and promoting the sound risk culture within If.

Risk committees

There are separate committees in place for key risk areas. It is the responsibility of these committees to monitor that risks are managed and controlled as decided by the Board of Directors. The chairmen of the risk committees are responsible for reporting to the ORSA committee. None of the committees have any decision-making mandate.

The ORSA committee assists the CEO in fulfilling the responsibility of overseeing the risk management and Risk Management System. The ORSA committee reviews the effectiveness of the If Group's internal control and gives input to and follows up on coordination of efforts and actions relating to these areas. The committee receives analysis and reporting of risks in the If Group. The ORSA committee further supervises the If Group's and its subsidiaries' solvency position, monitoring that both the short-term and long-term aggregated risk profile is in line with the risk strategy, risk appetite and capital requirements.

Risk Management function

The Risk Management function is responsible for coordinating the risk management activities on behalf of the Board of Directors and the CEO. The function is headed by the Chief Risk Officer ("**CRO**"). Units within the Risk Management function are operationally independent, and therefore not part of the governance of, or the decision-making process in, the operations of the If Group's licensed activities.

Line organisation

The line organisation (Business areas and Corporate functions) has the day-to-day responsibility of managing risks within the limits and restrictions set by the risk policies, guidelines and instructions and shall ensure that it has resources and tools in place. On behalf of the heads of the Business areas/Corporate functions, a risk coordination structure is established within the line organisation.

The line organisation has an obligation to inform the Risk Management function of material risks relevant for the performance of their duties.

Implementation of the Risk Management System

The risk committee structure together with the coordination network ensure that there are efficient processes and routines in place with clear ownership to identify, assess, measure, manage, monitor and report all material risks and that they are reported according to the If Group's reporting structure.

Risks identified within the Risk Management System, especially those measured through the internal model, are observed in important business decisions such as the yearly financial plan, investment allocation, reinsurance programmes and possible new business opportunities.

Capital management

The Risk Management function focuses on both capital efficiency and maintaining the capital resources of the If Group and its subsidiaries at an appropriate level in relation to the risks taken. At a minimum, this means ensuring that the available capital exceeds capital requirements which are set according to requirements of third parties such as regulators and rating agencies.

Capital management approach

One purpose of capital is to act as a buffer against future losses. It is therefore appropriate to define risk in terms of capital. The starting point for capital management is the risk tolerance implemented through a framework of risk limits, policies and authorisations, approved by the Board of Directors. Risks are continuously monitored and the implications of such risks on the available capital of the If Group and its subsidiaries are assessed. The risk exposures, required capital and available capital are reported to the

ORSA committee and the Board of Directors on a quarterly basis by the CRO, or more often if the situation so requires. The policy of the If Group, in addition to maintaining capital resources at a sufficient level, is to:

- retain at least a single "A" (or equivalent) rating from each of S&P and Moody's Deutschland GmbH ("**Moody's**");
- ensure that risk buffers – in the form of capital and foreseeable profitability – are adequate in relation to the current risks inherent in its business activities and existing market environment;
- maintain a sustainable dividend capacity;
- manage the debt-to-equity ratio in order to enhance returns to shareholders while maintaining sufficient financial flexibility;
- support growth in profitable businesses by allocating capital efficiently; and
- ensure the overall efficiency, security and continuity of operations.

Capital position and Solvency

The If Group monitors its capital position by reference to the relationship between available capital and required capital. To fulfil the differing requirements of various third parties (including but not limited to, regulators and rating agencies), the If Group uses different measures to describe its capital position, namely regulatory measures, internal capital measures and rating agency measures.

Regulatory measures

The Solvency II Directive has introduced a regulatory framework where solvency capital requirements and own funds are risk-based and based on economic valuation principles. Due to the rules related to group supervision within Solvency II, the group solvency capital requirement is calculated at the level of the Sampo Group. From a regulatory point of view, as at the date of this Prospectus, the If Group is not supervised as a group under Solvency II and hence solvency capital requirements are only subject to regulatory supervision on a solo level with respect to each operating insurance company within the If Group. However, the balance sheet and operations of the If Group contribute significantly to the consolidated group solvency capital requirement at the Sampo Group level.

The Solvency II standard formula including the equity transitional rule (where relevant) is applied for all subsidiaries of the If Group in calculating their solvency capital requirements and minimum capital requirements, except If P&C Insurance Ltd. (publ) which utilises a partial internal model for the main underwriting risks and the standard formula with the equity transitional rule for other risks. The equity transitional rule allows for applying a lower equity charge for equities bought before the introduction of Solvency II on 1 January 2016. The partial internal model was approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in November 2016. In October 2017, the operations in If P&C Insurance Company Ltd (Finland) were merged into If P&C Insurance Ltd. (publ), and If P&C Insurance Ltd. (publ) filed as a part of the merger an application to include the insurance operations from If P&C Insurance Company Ltd (Finland) into the partial internal model for underwriting risks. In February 2018, the application was approved by the Swedish Financial Supervisory Authority.

All operating insurance companies within the If Group met the regulatory solvency capital requirements under Solvency II as of 31 December 2018, 31 December 2019 and 31 December 2020. The solvency positions are reported quarterly to the supervisory authorities.

As a measure of capital adequacy, the table below shows the standard formula based solvency capital requirement for the If Group, corresponding to what would be the regulatory requirement if Solvency II group rules were enforced at the If Group level.

Hypothetical Solvency II standard formula own funds and solvency capital requirement for the If Group (millions of SEK):

	31 December 2018	31 December 2019	31 December 2020
	<i>(millions of SEK)</i>		
If Group eligible own funds.....	36,909	37,525	36,353
If Group SCR.....	18,801	19,750	19,227
If Group ratio of eligible own funds to group SCR.....	196%	190%	189%

Eligible own funds include subordinated debt of SEK 4,135 million as of 31 December 2020 (SEK 4,215 million as of 31 December 2019 and SEK 4,198 million as of 31 December 2018).

The If Group SCR composition as of 31 December 2018, 31 December 2019 and 31 December 2020 (millions of SEK):

	31 December 2018	31 December 2019	31 December 2020
	<i>(millions of SEK)</i>		
Insurance risk.....	13,131	13,216	13,171
Market risk.....	10,735	12,041	11,332
Counterparty risk	1,122	1,054	1,048
Diversification	(4,792)	(5,042)	(4,865)
Operational risk	1,635	1,608	1,568
Loss absorbing capacity of deferred taxes	(3,031)	(3,226)	(3,142)
Related undertakings	0	100	115
If Group SCR	18,801	19,750	19,227

If Group Solvency II ratio of eligible own funds to SCR estimated sensitivity scenarios as of 31 December 2020¹⁷:

Base case 31/12/2020	189%
Equity -30%	183%
Interest rates -100 bps	173%
Credit spread +100 bps	181%
Run-off loss 1 in 10y	179%
Nat CAT 1 in 10y	184%
Claims inflation +100 bps	176%

Hypothetical Solvency II own funds (to meet the minimum consolidated group SCR) and minimum consolidated group SCR for the If Group (millions of SEK):

	31 December 2018	31 December 2019	31 December 2020
	<i>(millions of SEK)</i>		
If Group eligible own funds.....	31,806	32,259	31,338
If Group minimum consolidated group SCR	6,676	7,126	6,907
If Group ratio of eligible own funds to minimum consolidated group SCR	476%	453%	454%

¹⁷ The Solvency II symmetric adjustment of the equity capital charge in the standard formula was -0.48 per cent. at the end of Q4 2020. In the equity market scenario in the graph, where equities decline with 30 per cent., the symmetric adjustment is revaluated to be -10 per cent. following that shock. The shock hence lowers the relative capital charge on equities as such, since the symmetric adjustment in the Solvency II regulation is based on equity price levels compared to their historical average.

Risk and capital modelling and Internal capital measures

In order to assess the overall risk profile, it is necessary to consider the interrelationships between the various types of risk the If Group faces, as some of the risks may develop in opposite directions creating natural hedges. For this purpose, the If Group has used an internal model for several years. The internal model is used for risk management and covers both the If Group and all material subsidiaries. The internal model covers the risks related to the insurance and investment operations of the If Group.

Through simulations of both investment and insurance operations, the effect of, for example, reinsurance structure and investment allocations can be analysed simultaneously.

In addition to the calculation of the overall capital need, the internal model is also used as a basis for decisions regarding:

- allocation of capital to the various business areas in order to achieve consistent profit targets throughout the If Group;
- minimum and maximum weightings for each investment class, to be used as reference in the investment policy; and
- the retention level which affects purchase of the If Group's reinsurance.

As described under the section entitled Regulatory measures above, the internal model is approved for the regulatory solvency requirements for the main underwriting risks in If P&C Insurance Ltd. (publ).

Rating agency measures

The rating agencies have their own models which are used to assess the capital position of the If Group. Due to the If Group's rating objective (to maintain an "A" insurance financial strength rating at its main operating company), meeting the capital standards set by the rating agencies is also a key capital requirement.

The If Group's main operating company, If P&C Insurance Ltd. (publ), have financial strength ratings from S&P and Moody's, with a rating of "A+ (stable outlook)" since 2016 from S&P and "A1 (stable outlook)" since 2016 for Moody's. The Issuer is rated A (stable outlook) since 18 July 2019 from S&P. Moody's is established in the EEA and registered under the CRA Regulation and appears on the latest update of the list of registered credit rating agencies (as of 4 January 2021 on the ESMA website (<http://www.esma.europa.eu>)).

As of 31 December 2020, S&P's insurance capital model showed a diversified target capital of SEK 30,939 million (based on an "A" rating) and total adjusted capital of SEK 32,448 million for the If Group. If P&C Insurance Ltd. (publ) is regarded as a core subsidiary of Sampo Group.

Personnel

The average number of employees of the If Group in 2020 was 7,182 (2019: 6,865). The average number of employees of the Issuer was 6 (2019: 3).

Applied accounting principles

Financial statements presented for the Issuer are prepared in accordance with Swedish laws and regulations. The If Group has prepared its consolidated accounts in accordance with international accounting standards (IFRS Standards, IAS Standards, SIC Interpretations and IFRIC Interpretations), as adopted by the European Union. In addition, the If Group applies the supplementary provisions ensuing from legislation, the Swedish Financial Supervisory Authority's regulations and general recommendations as well as appropriate parts of recommendations issued by the Swedish Financial Reporting Board. For the fiscal year 2019, the Issuer's accounting presentation was not subject to any significant amendments or new regulations as compared with the fiscal year 2018. The same applies for the If Group's accounting presentation, except for IFRS 16 Leases ("IFRS 16").

IFRS 16 took effect on 1 January 2019, replacing IAS 17 Leases, and If Group applies the new standard as of this date. If Group made the transition to IFRS 16 in accordance with the modified retrospective model

and comparative information was not restated. The new standard had a limited effect on If Group's financial statements, initiating the recognition of tangible right-of-use assets amounting to SEK 1,299 million and increasing liabilities by SEK 1,250 million upon transition on 1 January 2019, considering also the reclassification of already existing prepaid lease expenses of SEK 49 million. The Group's technical result also improved slightly since only depreciation of right-of-use assets is included in the technical result, while interest expenses related to the lease liabilities are presented as part of the investment result. Before the implementation of IFRS 16 lease costs were included in the technical result.

For the fiscal year 2020, the Issuer's accounting presentation was not subject to any significant amendments or new regulations as compared with the fiscal year 2019. This was also the case in respect of the If Group's accounting presentation.

Issued, but not yet effective, international accounting standards or standards that If for some other reason does not apply, are currently assessed as not likely to have any significant impact on the financial statements when first applied, except IFRS 9 Financial Instruments ("**IFRS 9**") and IFRS 17 Insurance Contracts ("**IFRS 17**").

IFRS 9 took effect on 1 January 2018. In accordance with an EU-adopted amendment to IFRS 4 Insurance Contracts, the IASB has decided that, under certain circumstances, insurance companies may delay their initial application of IFRS 9 so that the date coincides with the initial application of IFRS 17 Insurance Contracts (see below). The If Group fulfils these conditions since the If Group has not previously applied IFRS 9 and the carrying amount of the liabilities connected to insurance is greater than 90 per cent. of the total carrying amount of the liabilities.

The If Group has decided to delay the application of IFRS 9. The transition from IAS 39 to IFRS 9 is not expected to have any significant effects on the If Group's accounts until 2023. However, expanded disclosure requirements have been introduced for financial instruments to facilitate comparisons with companies that have already implemented IFRS 9.

IFRS 9 contains some optionality, and If Group's opinion is that there are significant cross-influences with respect to the published, but not yet adopted, standard concerning insurance contracts that still need to be carefully assessed before a final decision can be made as to the classification of financial assets.

IFRS 17 was published in May 2017 and was originally expected to take effect on 1 January 2021. The standard has not yet been adopted by the EU. In June 2020, the IASB published amendments to the standard, including the decision that the standard shall take effect on 1 January 2023 and that the initial mandatory application of IFRS 9 be further delayed. IFRS 17 replaces IFRS 4 Insurance Contracts and, unlike its predecessor, contains a complete framework for the measurement and presentation of insurance contracts. Based on a preliminary assessment, the measurement rules in IFRS 17 are expected to have a limited effect on the If Group's profit and loss and balance sheet, while the presentation rules may have a material impact.

The If Group's approach to sustainability

Sustainability is an integral part of the If Group's core business. The If Group provide social and economic security for customers, and society at large, through high-quality insurance products. The If Group's sustainability work focus on five key issues:

- climate;
- supply chains and materials;
- work environment;
- diversity, equity and inclusion; and
- responsible business practices.

The If Group have linked its sustainability work to the relevant UN sustainable development goals.

As of January 2020, the If Group's supplier code of conduct is included in all relevant purchasing agreements. During year 2020 a diversity and inclusion maturity model was developed to further systematize the If Group's work. The If Group have also continued to further integrate Environmental Social and Governance (ESG) factors into investment operations by implementing sector-based screening and norm-based research.

Management

In accordance with the Issuer's Articles of Association, the Board of Directors consists of at least three and not more than five members elected by the general meeting of shareholders for the period until the end of the annual general meeting held the year after the director was elected.

Under the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen* (2005:551)), the managing director and at least half the number of directors of the Issuer must be resident within the EEA, unless the Swedish Companies Registration Office (Sw. *Bolagsverket*) grants an exemption.

The names of the current members of the Board of the Issuer elected by the general meeting of shareholders, the Chief Executive Officer and the Chief Financial Officer, their positions, year of birth and key external roles are set out below.

Name and Year of Birth	Position at Issuer	External Roles
Torbjörn Magnusson, born 1963	Chairman of the Board Managing Director of Sampo plc	Chairman of the Board of Nordea Bank Abp, Board Member of Hastings Group (Consolidated) Ltd., Board Member of Hastings Group Holdings Ltd.
Knut Arne Alsaker, born 1973	Board Member Chief Financial Officer of Sampo plc	Vice Chairman of the Board of Mandatum Life Insurance Company Ltd, Board Member of Norwegian Finans Holding ASA, Board Member of Hastings Group (Consolidated) Ltd., Board Member of Hastings Group Holdings Ltd.
Patrick Lapveteläinen, born 1966	Board Member Chief Investment Officer of Sampo plc	Chairman of the Board of Mandatum Holding Ltd, Chairman of the Board of Mandatum Life Insurance Company Ltd, Board Member of If P&C Insurance Ltd. (publ), Board Member of Saxo Bank A/S, Chairman of the Board of Enento Group Oyi
Ricard Wennerklint, born 1969	Board Member	Chairman of the Board of Topdanmark A/S, Board Member of Nordax Bank AB, Chairman of the Board of Hastings Group (Consolidated) Ltd., Chairman of the Board of Hastings Group Holdings Ltd., Board Member of Mandatum Holding Ltd.
Morten Thorsrud, born 1971	Chief Executive Officer of If P&C Insurance Holding Ltd (publ)	Chairman of the Board of If P&C Insurance Ltd. (publ), Board Member of Topdanmark A/S, Board Member of Hastings Group Holdings Ltd., Member of the Supervisory Board of Euronext, Member of the Executive Committee of Finance Norway
Måns Edsman, born 1974	Chief Financial Officer of If P&C Insurance Holding Ltd (publ)	Managing Director and Board Member of If P&C Insurance Ltd. (publ), Board Member of If Livförsäkring AB, Chairman of the Supervisory Board of If P&C Insurance AS, Chairman of the Board of Viking Assistance Group AS, Board Member of Insurance Sweden,

Name and Year of Birth	Position at Issuer	External Roles
		Board Member of Swedish Insurance Employers' Association

To the best of the Issuer's knowledge, there are no conflicts of interest between any of the board members', the Chief Executive Officer's and the Chief Financial Officer's duties to the Issuer and their private interests or duties.

The office address of the board members and management is: If Skadeförsäkring Holding AB (publ), Barks väg 15, SE-106 80 Stockholm.

REGULATION

If Group

Set forth below is an overview of certain material information concerning the regulatory and supervisory environment of the insurance business conducted by the If Group. This description is an overview of certain legal issues and does not purport to be complete.

Supervision

The insurance companies within the If Group are subject to regulation in all countries in which they operate. The Swedish insurance companies are licensed and supervised by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) ("**SFSA**") and the Financial Supervision Authority in Estonia (Es. *Finantsinspeksioon*) is responsible for the supervision of If P&C Insurance AS, its branches in Latvia and Lithuania and its subsidiaries. The If Group operates its cross-border activities through branches of If P&C Insurance Ltd. (publ) in Denmark, Estonia, Finland, France, Germany, Latvia, Norway and the Netherlands. Accordingly, the SFSA is responsible for the financial supervision of such branch activities. The operations must, however, still be in compliance with the laws of the countries where the branches operate in respect of activities such as marketing, consumer protection, insurance contract requirements and data protection. The If Group also operates through a branch in the United Kingdom. The If Group has applied to the UK regulators to change the status of the UK branch from an incoming EEA branch to a third-country branch. The branch will be under supervision of the UK regulator.

The Issuer is a Swedish insurance holding company and is as such not a licensed company. There are however certain rules of the Swedish Insurance Business Act (Sw. *försäkringsrörelselag* (2010:2043)) and the Solvency II regulation directly applicable to the Issuer's business.

European Union regulatory framework

The European Union ("**EU**") has adopted legislation with a view to harmonising the member states' regulation of the insurance industry, thus creating a single European market in this respect. The current framework is known as the Solvency II, and applies to insurance companies, reinsurance companies and insurance groups. The Solvency II Directive is implemented in all countries where the insurance companies within the If Group are licensed, except in the UK. A single passport principle is applicable in the insurance business under the Solvency II Directive. Accordingly, a licence from a competent authority in a member state (the "**home supervisory authority**") is valid throughout the EEA. A licensed company may carry out its business within the EEA directly or through branches, without any further requirements for authorisations in the countries concerned.

Solvency II

The Solvency II framework replaces previous life, non-life, reinsurance and insurance groups directives. The main aim of the Solvency II framework is to ensure the financial stability of the insurance industry across the EU and protect policyholders through establishing solvency requirements better matched to the true risks of the business. Solvency II adopts a three-pillar approach as adopted in the banking sector in Europe. These pillars are quantitative requirements (Pillar 1); qualitative requirements (Pillar 2); and supervisory reporting and public disclosure requirements (Pillar 3). With Solvency II, economic risk-based solvency requirements across all Member States of the EU have been introduced where insurers' material risks and their interactions are considered.

Under Pillar 1 of Solvency II, insurers are required to hold own funds equal to or in excess of a solvency capital requirement ("**SCR**"). Solvency II rules categorise own funds into three tiers with differing qualifications as eligible available regulatory capital. Under Solvency II, basic own funds are derived from the solvency balance sheet in which the undertaking's assets and liabilities are valued in accordance with the Solvency II regulations. The basic own funds consist of the positive difference between assets and liabilities (including technical provisions), which are reduced by the amount of any own shares held. In addition, qualifying subordinated liabilities are also included in basic own funds. A basic principle of Solvency II is that assets and liabilities are valued on the basis of their economic value. This is the price which an independent party would pay or receive for acquiring the assets or liabilities. The SCR is a risk-based capital requirement which will be determined using either the standard formula, or, where approved by the relevant supervisory authority, an internal model, or a mixture of both methods (partial internal

model). A breach in SCR triggers first level intervention in the supervision of the entity's solvency. In addition to the SCR requirement, there is also the minimum capital requirement which intends to reflect a level of own funds that, where breached, triggers ultimate supervisory action, which may involve a transfer of the entity's liabilities to another issuer, withdrawal of its license or liquidation of its in-force business.

Under Pillar 2 of Solvency II, requirements for insurance companies include requirements to:

- have effective governance systems in place, proportionate to their business;
- meet specific requirements regarding risk management functions, internal controls, data quality controls, internal audit functions, actuarial functions, compliance functions and control over outsourcing arrangements;
- ensure that the directors and officers of insurance companies have the required professional qualifications and expertise;
- integrate effective risk management systems, including strategies, processes and reporting procedures, in order to monitor, manage and report risk exposures;
- conduct an own risk and solvency assessment ("ORSA") on a regular basis; and
- be effectively supervised by the National Competent Authorities.

Under Pillar 3 of Solvency II, extensive and frequent reporting to supervisory authorities, and additional external reporting, is required.

Each individual insurance company within the If Group is subject to the Solvency II requirements.

Insurance Distribution Directive

On 1 October, 2018 the insurance distribution directive ("**IDD**") entered into force in the EU. The IDD covers all insurance distribution activities including direct sales by insurance and reinsurance companies. Key features are, among others, mandatory disclosure requirements regarding remuneration, obliging insurers to disclose to their customers the nature of remuneration they receive and more extensive requirement on employees' knowledge and ability, including 15 hours of professional training and development per year. Further, insurers are required to comply with information and disclosure requirements and certain conduct of business rules including a general obligation to act honestly, fairly and professionally in accordance with customers' best interests. In the case of the sale of bundled products, for instance, the insurance distributor (intermediator) will have to inform customers about the possibility to purchase the components of the package separately and about the costs of each component when insurance and services or goods are purchased separately. In addition, IDD sets out stricter requirements on remuneration of sales staff (requirements of more qualitative goals) and introduces a mandatory product oversight and governance process for assessing the suitability of insurance products for different target markets (different groups of customers).

General Data Protection Regulation

The General Data Protection Regulation (EU) 2016/679 ("**GDPR**") entered into force on 25 May 2018. The GDPR contains a number of obligations for data controllers in their processing of personal data, and include features such as expanded territorial reach, transparency requirement, the obligation to have a designated data protection officer, content to be included in data processing agreements and data breach notifications. The GDPR also sets out direct obligations for the data processors. In addition, the GDPR include a number of rights for the data subjects, such as a right to require information about data being processed, access to data in certain circumstances, correction of incorrect data and right to erasure. The GDPR further establish a penalty scheme for breaches enabling data processing authorities to impose administrative fines for infringements.

Anti-Money Laundering Directive

The 4th Anti-Money laundering directive (Directive 2015/849 on preventing the use of the financial system for money laundering or terrorist financing) was adopted by the EU in 2015. The directive provides *inter alia* an obligation to apply customer due diligence measures when entering into insurance contracts, i.e. to

identify and verify the identity of clients (including the identity of beneficiaries before payment of compensation and of beneficial owners of legal ultimate entity customers), monitor transactions and report suspicious transactions. Breaches of the provisions in the directive may result in administrative sanctions. The 5th Anti-Money laundering directive (Directive 2018/843) was to be implemented into national legislation by 1 January 2020. It does not contain any changes of material significance for the If Group.

Proposal for changes to the Norwegian Natural Perils Pool scheme

On the 6 February 2019 a public committee presented a proposal regarding changes in the Norwegian Natural Perils Pool scheme to the Ministry of Justice (NOU 2019:4). If P&C Insurance Ltd. (publ), through its Norwegian branch, has approx. NOK 3 billion in existing natural perils capital. In the proposal, natural perils capital will still be treated as before (restricted equity in the Norwegian accounts). The proposal suggests that future profits from the scheme is transferred to a centralised pool, with the pool having the risk of natural perils, limited to the pool's existing capital including its re-insurance program. The insurance companies will have the excess risk, as is the solution also today. A transitional rule is proposed implying that in years where claims exceed premiums under the scheme, companies with existing natural perils capital must cover their proportionate share of any deficits from existing natural perils capital without any reimbursements from the pool, unless the pool reach a capital of NOK 4 billion. Any remaining natural perils capital is proposed to be treated as restricted equity after the transition period (no changes from the current regulation) and return on existing natural perils capital will belong to the companies as unrestricted equity (no changes from the current regulation). A public hearing has been held regarding the proposal. A decision on if or when parts or whole of the proposal will enter into force is still pending.

Sampo Group

Insurance groups

In October 1998, the EU adopted a directive (98/78/EC) on the supplementary supervision of insurance undertakings within insurance groups otherwise known as the Solvency I Directive. These rules have been further amended and succeeded by Solvency II. The rules impose among other things, group reporting including reporting of group solvency, supervision of intra-group transactions, risk concentrations and governance on a group level. Furthermore, own funds and SCR are calculated on a group level. The Solvency II group definition includes an insurance company, its subsidiaries and associated insurance companies in which the group owns at least 20 per cent. of the share capital or the votes as well as its ultimate parent undertaking, which is an insurance holding undertaking, mixed activity insurance holding company, a mixed financial holding company or a foreign insurer established outside the EEA. The consolidated group will also include any subsidiaries and associated companies of the ultimate parent undertaking. In addition to the reports that each insurance company needs to submit, several of the Pillar 3 reporting requirements also apply to the level of the group (including the ORSA report and the annual narrative reports such as the Solvency and Financial Condition Report) and these need to be submitted to the group supervisor. In the event that a group operates in several Member States, a group supervisor shall be appointed among the relevant financial supervisory authorities to be responsible for the coordination and exercise of the supplementary supervision. Representatives of the relevant financial supervisory authorities will participate in a college of supervisors to supervise the group. The ultimate parent of the Issuer is Sampo plc. In line with this, group rules in Solvency II are applicable at the Sampo Group level. This includes group supervision and group solvency assessment including the calculation of group SCR, minimum consolidated group SCR, and group own funds. Furthermore, the SFSA has not made an application to apply any of the group provisions at Swedish sub-group level. As of the date of this Prospectus, from a regulatory point of view, the effect of this is that the If Group is not required to calculate group own funds and SCR at a sub-group level. As of 1 July 2015, the Financial Supervisory Authority in Finland (Fi. *Finanssivalvonta*) has the responsibility as group supervisor of the Sampo Group under Solvency II.

As of 1 January 2016, the Sampo Group is hence subject to regulatory group capital requirements as stipulated by the Solvency II Directive.

TAXATION

The following is a general description of certain Swedish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in that country or elsewhere. The overview is not exhaustive and thus does not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes and is neither intended to be nor should be construed as legal or tax advice. The overview does not address, inter alia, situations where the Notes are held in an investment savings account (Sw. investeringssparkonto) or through a "capital insurance" (Sw. kapitalförsäkring), the tax consequences following variation or substitution (instead of redemption) of the Notes or the rules regarding reporting obligations for, among others, payers of interest. Further, the overview does not address credit of foreign taxes. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Kingdom of Sweden of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This overview is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

Holders not tax resident in Sweden

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to the holder of any Notes should not be subject to Swedish income tax, *provided that* such a holder (i) is not resident in Sweden for Swedish tax purposes and (ii) does not have a permanent establishment in Sweden to which the Notes are effectively connected.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes, except for certain payments of interest (and other return on Notes) to a private individual (or an estate of a deceased individual) who is resident in Sweden for Swedish tax purposes (see "Holders tax resident in Sweden" below).

Holders tax resident in Sweden

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (for example, income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example, life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realises a capital loss on the Notes.

If amounts that are deemed as interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden, including a Swedish branch, to a private individual (or the estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the 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, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payment" and Notes issued on or prior to the date that is six months after the publication of the 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

Citigroup Global Markets Limited, Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated 15 March 2021, agreed to subscribe or procure subscribers for the Notes at the issue price of 100 per cent. of their principal amount less a combined selling concession and management and underwriting commission. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, 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 EU MiFID II; and
- (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 EU MiFID II.

Prohibition of Sales to UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, 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"); and
- (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.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom Securities Laws

Each Joint Lead Manager has represented, warranted, undertaken and agreed that, except as permitted by the Subscription Agreement:

- (a) 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 Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

Luxembourg

The Notes may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg unless:

- (i)
 - (a) a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") pursuant to part II of the Luxembourg law dated 16 July 2019 on prospectuses for securities, which applies the EU Prospectus Regulation (the "**Luxembourg Prospectus Law**"), if Luxembourg is the home Member State as defined under the EU Prospectus Regulation; or
 - (b) if Luxembourg is not the home Member State as defined under the EU Prospectus Regulation, the CSSF and the European Securities and Markets Authority have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Notes has been duly approved in accordance with the EU Prospectus Regulation and with a copy of that prospectus; or
 - (c) the offer of Notes benefits from an exemption from, or constitutes a transaction not subject to, the requirement to publish a prospectus or similar document under the Luxembourg Prospectus Law; and
- (ii) the EU PRIIPS Regulation and the Luxembourg law of 17 April 2018 implementing the EU PRIIPS Regulation in Luxembourg have been complied with.

Kingdom of Sweden

Each Joint Lead Manager has confirmed and agreed, that it will not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or purchase or sell Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in the Kingdom of Sweden, except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the EU Prospectus Regulation, which include but are not limited to that an offer of such Notes to the public in the Kingdom of Sweden may be made provided that:

- (a) the offer is directed exclusively to "qualified investors" (Sw. *kvalificerade investerare*) (as defined in the EU Prospectus Regulation);
- (b) the offer is directed to fewer than 150 individuals or legal entities in an EEA-member state, which do not qualify as qualified investors;
- (c) the minimum investment amount is at least the equivalent of €100,000 per investor; or
- (d) each such Note has a minimum denomination of the equivalent of €100,000.

General

Each Joint Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 1 February 2021.

Listing and Admission to Trading

2. Applications have been made for the Notes to be admitted to listing on the official list and trading on the Luxembourg Stock Exchange's regulated market for the purposes of the EU Prospectus Regulation.

The total expenses related to the admission to trading of the Notes will be approximately €18,250.

Clearing Systems

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

The ISIN for the Notes is XS2077655624 and the Common Code is 207765562.

The CFI Code for the Notes is DBFNFB, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

The FISN Code for the Notes is IF P&C INSURANC/EUR NT 20491125 RES, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

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, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Legal Entity Identifier

4. The Legal Entity Identifier (LEI) code of the Issuer is 54930050EIFH3WMNHK29.

No significant change and no material adverse change

5. Save as disclosed in this Prospectus:
 - 5.1 since 30 June 2020 there has been no significant change in the financial position or performance of the Issuer or the Issuer's Group; and
 - 5.2 since 31 December 2019 there has been no material adverse change in the prospects of the Issuer or the Issuer's Group.

Legal and Arbitration Proceedings

6. Neither the Issuer nor any other member of the Issuer's Group is or has been involved in governmental, legal or arbitration proceedings in the 12 months preceding the date of this document, other than in the ordinary course of the insurance business of the Issuer's Group which may have or have in such period had a significant effect on the financial position or profitability of the Issuer's Group.

Auditors

7. The external auditors of the Issuer are KPMG AB. KPMG have audited the Issuer's accounts, without qualification, in accordance with international auditing standards for each of the financial years ended on 31 December 2018 and 31 December 2019.

KPMG AB are members of Föreningen Auktoriserade Revisorer (the Association of Certified Public Accountants) ("FAR"). FAR is the professional body for registered public accountants and state authorised public accountants in Sweden.

KPMG AB has no material interest in the Issuer.

Documents on Display

8. Copies of the following documents will be available from the registered office of the Issuer and from the specified office of the Principal Paying Agent for the time being in London or at the website of the Luxembourg Stock Exchange (www.bourse.lu) so long as any of the Notes remains outstanding:
- (a) the certificate of registration (Sw. *registreringsbevis*) and articles of association (Sw. *bolagsordning*) (with an English translation thereof) of the Issuer (as the same may be updated from time to time);
 - (b) the audited consolidated financial statements of the Issuer in respect of the financial years ended 2019 and 2018, in each case together with the audit reports prepared in connection therewith;
 - (c) the audited consolidated financial statements of Sampo plc in respect of the financial years ended 2019 and 2018, in each case together with the audit reports prepared in connection therewith;
 - (d) the Sampo Q4s and the Issuer Q2s; and
 - (e) the Trust Deed and the Agency Agreement for the Notes.

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

This Prospectus will be available, in electronic format, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or at the Issuer's website (<https://www.sampo.com/investors/debt-instruments/if/>) for a period of 10 years from the date of this Prospectus.

No Conflicts of Interest

9. There are no conflicts of interest between the duties of the members of the Board of Directors or the executive board to the Issuer and their private interests and/or other duties.

No Interest of Natural and Legal Persons Involved in the Issue

10. Except as referred to in the "*Subscription and Sale*" section of this Prospectus, no person involved in the issue of the Notes has an interest material to the issue.

No Material Contracts

11. There are no material contracts entered into other than in the ordinary course of the Issuer's business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes.

Reliance by Trustee

12. The Trust Deed provides that any certificate or report of the auditors of the Issuer or any other expert called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts stated therein, whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and/or such auditors and/or expert in connection therewith contains any limit on liability (monetary or otherwise) of such auditors and/or expert.

Other Activities of the Joint Lead Managers

13. The Joint Lead Managers and their affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Solvency II Group. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (b) act as underwriters in connection with offering of shares or other securities issued by any entity of the Solvency II Group or (c) act as financial advisers to the Issuer or other companies of the Solvency II Group. In the context of these transactions, they have or may hold shares or other securities issued by entities of the Solvency II Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Issuer website

14. The Issuer's website is <https://www.if-insurance.com/about-if>. Unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

Validity of Prospectus and supplements thereto

15. The period of validity of this Prospectus is up to (and including) 15 March 2022 being 12 months from the date of the approval of this Prospectus. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the admission to trading of the Notes.

GLOSSARY OF TERMS

"Average Maturity" may be expressed as number of years, in which case it shows the weighted average maturity of the portfolio, meaning the remaining time until invested capital is returned to the investor.

"Claims Ratio" means the total sum of claims incurred on own account including claims-adjustment costs in relation to Premiums Earned on own account, expressed as a percentage.

"Combined Ratio" means the total sum of claims incurred and Operating Expenses in Insurance Operations on own account in relation to Premiums Earned on own account, expressed as a percentage.

"Cost Ratio"* means the total sum of Operating Expenses in Insurance Operations on own account and claims-adjustment costs in relation to Premiums Earned on own account, expressed as a percentage.

"Duration" has different definitions within the asset management and insurance operations.

Within asset management, duration is the same as the interest-rate risk and denotes how sensitive a fixed-income portfolio is to changes in average interest-rates. Duration may be expressed as number of years, in which case it shows the weighted average maturity of the portfolio, meaning the remaining time until invested capital plus interest is returned to the investor.

Within insurance operations, duration represents the period that starts when an insurance contract becomes effective and ends when it expires.

"Expense Ratio" means Operating Expenses in Insurance Operations on own account in relation to net Premiums Earned, expressed as a percentage.

"Gross Written Premiums" means the total premiums received during the financial year or taken up as a receivable at the end of the year. In contrast to premiums earned, premiums written are not capitalised (i.e. they are unaffected by opening and closing provisions for unearned premiums).

"Investment Result in Income Statement" means Investment Result Mark to Market excluding unrealised changes in fair value of real estate, shares and participations and interest-bearing securities.

"Investment Return in Income Statement" means Investment Result in Income Statement in relation to the average investment assets, expressed as a percentage. The return has been calculated using a daily time-weighted return (TWR) calculation method. TWR is a measure consisting of sub-periods returns linked geometrically (compounded) together and are often used by asset managers because this method eliminates effects from external cash flows.

"Investment Result Mark to Market" means net of following income and costs: interest income/expense, dividend shares and participations, surplus/deficits from own properties, realised and unrealised changes in fair value of real estate, shares and participations and interest-bearing securities, and exchange-rate gains/losses. Result pertaining to associated companies is not included. It recognises the main part of unrealised value changes on shares and participations and interest-bearing securities in other comprehensive income.

"Investment Return Mark to Market" means "Investment Result Mark to Market" in relation to the average investment assets, expressed as a percentage. The return has been calculated using a daily time-weighted return (TWR) calculation method. TWR is a measure consisting of sub-periods returns linked geometrically (compounded) together and are often used by asset managers because this method eliminates effects from external cash flows.

"Net Written Premiums" means Gross Written Premiums less ceded reinsurance premiums.

"Operating Expenses in Insurance Operations" means expenses related to the acquisition or renewal of insurance contracts plus corporate administration costs.

"Premiums Earned" means that portion of gross premiums written that pertains to the fiscal year, meaning premiums written adjusted for changes in the provision for unearned premiums.

"Reserve Ratio"* means the provision for claims outstanding for own account in relation to either (i) paid claims for own account ("Reserve ratio vs. paid claims") or, (ii) in relation to premiums written for own account ("Reserve ratio vs. written premiums") expressed as a percentage.

"Return on Equity"* means the result for the year, adjusted for unrealised gains and losses on investments assets recognised in other comprehensive income, less full tax in relation to average shareholders' equity.

"Risk Ratio"* means the total sum of insurance claims on own account, excluding claims-adjustment costs, in relation to Premiums Earned on own account, expressed as a percentage.

"Technical Result" means Premiums Earned on own account less claims costs and operating expenses on own account, plus the allocated investment return transferred to the technical accounts and other technical income.

* Refers to alternative performance measures

THE ISSUER

If P&C Insurance Holding Ltd (publ)

Barks väg 15
SE – 10680
Stockholm
Sweden

JOINT LEAD MANAGERS

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Nordea Bank Abp

Satamaradankatu 5
FI-00020 Nordea
Finland

Skandinaviska Enskilda Banken AB (publ)

Kungsträdgårdsgatan 8
106 40 Stockholm
Sweden

THE TRUSTEE

Citicorp Trustee Company Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

PRINCIPAL PAYING AGENT AND AGENT BANK

Citibank N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

AUDITORS

KPMG AB

Vasagatan 16
Box 382
SE-101 27
Stockholm
Sweden

LISTING AGENT

Banque Internationale à Luxembourg SA

69, route d'Esch
Office PLM-101 F
L-2953 Luxembourg

LEGAL ADVISERS

To the Issuer

as to Swedish law

Roschier Advokatbyrå AB

Box 7358
Brunkebergstorg 2
SE-103 90
Stockholm
Sweden

as to Finnish law

Hannes Snellman Attorneys Ltd.

Etelaesplanadi 20
FI-00130 Helsinki
Finland

To the Joint Lead Managers and the Trustee

as to Swedish law

Advokatfirman Hammar skiöld & Co

Skeppsbron 42
SE 103-17
Stockholm
Sweden

as to English law

Clifford Chance LLP

10 Upper Bank Street
London E14 5JJ
United Kingdom