

# Key Information Document

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

**Name of Product:** Swaption

**Name of PRIIP manufacturer:** Skandinaviska Enskilda Banken AB (publ)

**Website for PRIIP manufacturer:** www.sebgroup.com

Call +46 771 62 10 00 for more information

**Name of Competent Authority:** Finansinspektionen is responsible for supervising Skandinaviska Enskilda Banken AB (publ) in relation to this Key Information Document

**Produced:** 14 May 2024

**You are about to purchase a product that is not simple and may be difficult to understand.**

## What is this product?

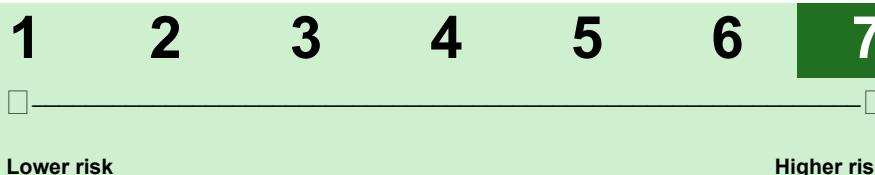
<b>Type</b>	An Over the Counter (OTC) contract – Interest Rate Instrument
<b>Term</b>	The maturity date of the product will be agreed upon when entering into the contract, with no chance of early termination. There is no provision for early termination in the bilateral contract agreed between us, either by you or SEB.
<b>Objectives</b>	<p>A swaption is a binding agreement where you will pay an amount (option premium) on the premium payment date to SEB for the right to enter into an interest rate swap with SEB according to defined terms. This right is exercisable on a future date (exercise date). Given that the holder of the option gives proper notice, the issuer is obliged to enter into the agreed swap.</p> <p>The future swap will be a binding agreement to exchange interest payments based on a pre-agreed amount (notional amount) on future dates (settlement dates) that are defined upon trade conclusion. The interest payments are defined as one party paying a fixed interest rate pre-agreed upon conclusion while the other party is paying a floating interest rate.</p> <p>By entering into this interest rate swap, you will pay on the settlement dates interest payments equivalent to the 3-month Stibor to SEB, provided that it is fixed at a positive value. In return, you will receive from SEB on the settlement dates fixed rate interest payments. If the 3-month Stibor is fixed at a negative value, the interest payment, which you will receive, will increase by the absolute value of the 3-month Stibor (value of the 3-month Stibor without negative sign) and at the same time SEB will not receive a payment from you. The interest payments are calculated on the basis of the notional amount and the duration of the relevant period according to the interest calculation method. The notional amount is neither paid by you nor by SEB, but serves for the purpose of calculation only.</p>

Option Details		Interest Rate Swap Details			
Trade Date	14/05/2024	Notional Amount	6,105,767.75	Customer pays	Float
Exercise date	17/05/2027	Currency	SEK	Bank pays	Fix
Option Premium	100,000.00	Settlement Dates	quarterly	Fixed Rate	2.38 %
Premium Payment Date	16/05/2024	Maturity Date	16/05/2030	Floating Rate	3-month Stibor

**Intended Retail Investor** The product Swaption is aimed at retail clients, who are interested in hedging and leveraged participation. The Swaption is a product for advanced investors with good knowledge and/or experience with financial products. The investor is able to bear losses beyond the invested amount and puts no emphasis on capital protection. On a scale of risk ranging from 1 (security-oriented; very low to low return) to 7 (very high risk tolerance; highest return) the product Swaption falls in risk category 7.

## What are the risks and what could I get in return?

**Risk indicator**



The risk indicator assumes you keep the product until the agreed maturity date.  
The actual risk can vary significantly if you cash in at an early stage and you may get back less.  
You may not be able to cash in early. You may have to pay significant extra costs to cash in early.

ID: #Doc6160865#

www.sebgroup.com

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class. We classify all OTC derivatives as being of the highest risk class.

This rates the potential losses from future performance at a very high level, and poor market conditions are very unlikely to impact the capacity of SEB to pay you.

**Be aware of currency risk.** You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.**

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

#### Performance scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

Recommended holding period:		6 years	
Example investment		100,000 SEK	
		If you terminate after 1 year	If you terminate after 6 years
Scenarios			
Minimum	There is no minimum guaranteed return. You could lose all of your investment.		
Stress	What you might get back after costs	SEK 00	SEK 00
	Average return each year	-100.00 %	-100.00 %
Unfavourable	What you might get back after costs	SEK 00	SEK 00
	Average return each year	-100.00 %	-100.00 %
Moderate	What you might get back after costs	SEK 85	SEK 32
	Average return each year	-99.91 %	-93.09 %
Favourable	What you might get back after costs	SEK 702	SEK 1,437
	Average return each year	-99.30 %	-75.62 %

The scenarios illustrate how investments could perform. They are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. Returns depend on how the market performs and how long you keep the investment/product. The figures shown include all the costs of the product itself, and include the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The stress scenario shows what you might get back in extreme market circumstances. This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so.

#### What happens if SEB is unable to pay out?

You are exposed to the risk that the issuer might be unable to fulfil its obligations in respect of the product, e.g. in the event of insolvency or an administrative order. The product is not covered by any protection scheme. Thus, when the issuer is unable to pay out, you may not receive any amount from SEB under the product.

#### What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

#### Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.
- 100,000 SEK is invested.

If you terminate after 6 years	
Total costs	SEK 69

Annual cost impact (\*) 0.0 %

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be -93.09 % before costs and -93.09 % after costs.

#### Composition of costs

One-off costs upon entry or exit		If you terminate after 1 year
<b>Entry costs</b>	0.07 % of the amount you pay in when entering this investment. These costs are already included in the price you pay.	SEK 69.00
<b>Exit costs</b>	0.07 % of your investment before it is paid out to you.	SEK 69.00
<b>Ongoing costs</b>		
<b>Management fees and other administrative or operating costs</b>	We do not charge management fees and other administrative and operating costs for this product.	SEK 0.00
<b>Transaction costs</b>	We do not charge transaction costs for this product.	SEK 0.00
<b>Incidental costs taken under specific conditions</b>		
<b>Performance fees and carried interest</b>	We do not charge performance fees for this product.	SEK 0.00

#### How long should I hold it and can I take money out early?

##### Recommended holding period: 6 years

Recommended holding period: This product is designed to be held to the agreed maturity date in order to match your investment requirement.

You may not be able to cash in early, and you may have to pay significant extra costs to cash in early. It is a product to be entered into for its term that cannot be easily sold. Early termination may occur (i) if certain events of default or other termination events occur or (ii) at the sole discretion of SEB, in which case early termination payments may apply.

Early exit impact: If the product is terminated early, in whole or in part, an Early Termination Payment may become payable by SEB. The Early Termination Payment is linked to market parameters and could be a substantial loss or gain to you. Settlement on early termination will be specific to your Swaption and will be influenced by a number of factors which include but are not limited to: whether it is an increasing or decreasing interest rate environment; the movement of the interest rates since the trade date; the amount affected by the early termination; general market conditions.

The Early Termination Payment is not a penalty charge. The sum represents the economic value of what SEB would have paid if the product continued as agreed.

#### How can I complain?

Any complaints about the products or about the conduct of SEB or the person advising on, or selling, the product can be submitted on the following website <https://seb.se/kundservice/kundservice-privat/om-nagot-blivit-fel/klagomal> or be addressed in writing to: Kundrelationer, Bankärenden, SE-106 40 Stockholm.

#### Other relevant information

The legally binding terms for this product will be presented as part of the trade confirmation prepared by SEB, and will be made available to you after the trade has been concluded.