

## Purpose

This document provides you with key information about the 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. This document sets out the generic risks of the PRIIP that you may be considering as a financial investment, in order that you can compare to other products. The specific terms of the product that you enter into will be set out in the confirmation in relation to that product.

## Product

PRIIP name:	OTC Swaption
Name of PRIIP manufacturer:	SpareBank 1 Markets AS – <a href="http://www.sb1markets.no">www.sb1markets.no</a>
Contact number for PRIIP manufacturer:	Call +47 24 14 74 00 for additional information
Competent Authority:	The Financial Supervisory Authority of Norway
Date of production:	15. October 2024

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

## What is this product?

### Type

OTC – Swaption

This product is an interest rate hedging instrument. A Swaption is an option on an interest rate swap. The buyer of the Swaption has the right, but not the obligation, to enter into an interest rate swap at a future date. The Swaption is exercised by the buyer if the underlying interest rate swap is advantageous compared to prevailing market interest rates on the Swaption exercise date.

### Terms and conditions

The duration of a Swaption is agreed upon between the parties at the time of entering into the agreement. The exercise date of the Swaption coincides with the start date of the underlying interest rate swap agreement. The agreement regulates whether the buyer of the Swaption has the right to pay or receive fixed interest in the underlying interest rate swap agreement.

### Objectives

The purpose of a Swaption for the buyer is to have the right to enter into an interest rate swap agreement. If the buyer has the right to pay a fixed amount in the underlying interest rate swap agreement, the buyer has reduced its exposure to increases in fixed market interest rates. If the buyer has the right to receive a fixed amount in the underlying interest rate swap agreement, the buyer has reduced its exposure to decreases in fixed market interest rates.

The terms of the Swaption are agreed at the transaction date. The Swaption Premium is settled upfront. The Swaption is exercised by the buyer if the fixed rate on the underlying Interest Rate Swap is a more favourable alternative for the buyer than the prevailing market rate at the expiry date of the Swaption.

The terms set out below are illustrative of the terms of a Swaption but are not the exact terms you agree with SpareBank 1 Markets. The exact terms will be set out in each individual trade confirmation letter. The illustrative terms are used for subsequent performance scenarios and calculation of costs.

In the agreement between you and SpareBank 1 Markets / SpareBank 1 SMN it is specified that if certain defined events occur, (1) SpareBank 1 Markets may adjust the product; and/or (2) SpareBank 1 Markets may terminate the product early. The return (if any) you receive on such early termination and/or adjustment is likely to be different from that received in the scenarios described above.

### Detail - Swaption

Buyer:	Customer
Notice Date:	Expiry Date - 2 days
Expiry Date:	Today + 1 year
Strike:	At-the-money Spot
Premium:	NOK 3,008,900.00

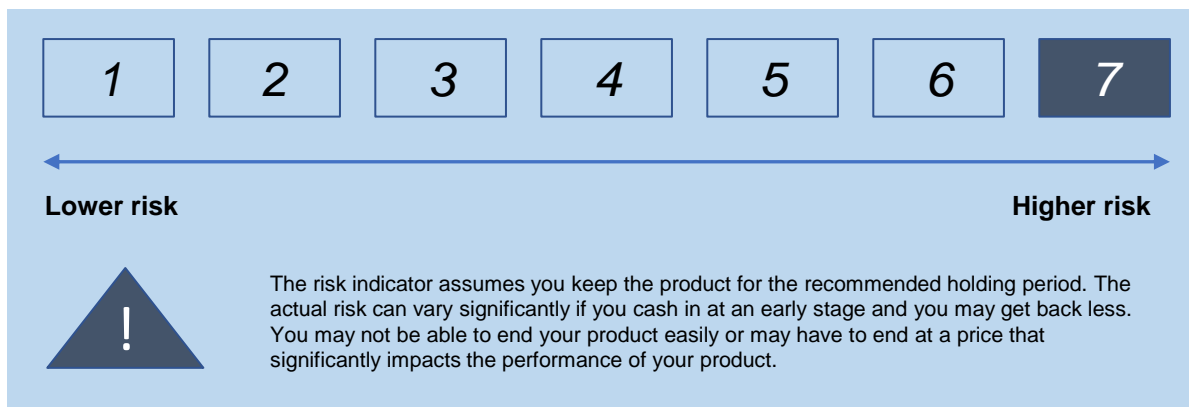
### Detail - Underlying Interest Rate Swap

Start Date:	Expiry Date
End Date:	Start Date + 9 years
You pay:	Fixed rate, 30/360 quarterly
Your receive:	3m Nibor
Currency:	NOK
Notional amount:	100,000,000
Amortization schedule:	Bullet

### Target investor

This product is intended for non-professional investors who (i) wish to hedge against adverse interest rate changes on other cash flows, (ii) intend to hold the product in accordance with the recommended investment horizon (the entire contract period), (iii) have knowledge and experience with this product, (iv) are willing and able to bear losses, and (v) do not need products with capital protection.

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



### Risk Indicator

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. **Please be aware of interest rate and volatility risk.** 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

This table shows the money you could get back over the recommended holding period, under different scenarios, assuming that you invest NOK 100.000,00. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented 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. What you get will vary depending on how the market performs.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The favourable, moderate, unfavourable and stressed scenarios have been calculated using a model to generate possible future outcomes based on the underlying assets' past performance and represent the 90th, 50th, 10th and 1st percentiles of outcomes, respectively.

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 maturity. 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. The figures shown include all the costs of the product itself and includes 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.

Recommended Holding Period:		1 year
Example Investment:		NOK 100,000,000
<b>Scenarios</b>		
Minimum	There is no minimum guaranteed return. You could use some or all of your investment.	
Stressed	What you might get back after costs	NOK 0.00
	Average return each year	-3.01%
Unfavorable	What you might get back after costs	NOK 0.00
	Average return each year	-3.01%
Moderate	What you might get back after costs	NOK 0.00
	Average return each year	-3.01%
Favorable	What you might get back after costs	NOK 8,173,149.46
	Average return each year	5.16%

## What happens if SpareBank 1 Markets is unable to pay out?

This product is not subject to any legal or other deposit protection scheme or any other form of guarantee. This means that if SpareBank 1 Markets is unable to pay out, due to insolvency or other reasons, you may lose all of your expected payments.

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself. They include potential early exit penalties. The figures assume you invest NOK 100.000,000.00. The figures are estimates and may change in the future.

The person/company selling you or advertising you this product may charge you other costs. If so, this person/company will provide you with information about these costs and illustrate the impact all costs will have on your investment over time.

### Cost over time

	<i>If you exit after 1 year</i>
Total costs	NOK 770,000.00
Cost impact [*]	0.77%

[\*] Costs expressed as a percentage of the notional amount

### Composition of costs

One-off costs upon entry or exit		<i>If you exit after 1 year</i>
Entry cost	0.77% of the amount you pay when entering this investment	NOK 770,000.00
Exit cost	0.00% of the amount you pay when entering this investment	NOK 0.00
Ongoing costs		
Mangement fees and other administrative or operating costs	There are no such costs for this product.	NOK 0.00
Transaction costs	There are no such transaction costs for this product.	NOK 0.00
Incidental cost taken under specific conditions		
Performance fees	There is no performance fee for this product.	NOK 0.00

The costs for the product is a function of the product's sensitivity to interest rates as well as credit, funding and capital charges. As such the costs are client specific and subject to prevailing market conditions and cannot be specified until a tradable quote is provided to the client.

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

This product is designed to be held until its maturity date and it is not a product which can be easily sold or transferred. Early termination may occur in the event of a default or disruption situation or if you or SpareBank 1 Markets agree for it to be terminated early, in which case, early exit penalties may apply.

## How can I complain?

SpareBank 1 Markets' procedure for appeal consideration is available at [www.sb1markets.no](http://www.sb1markets.no).

Complaints about the product, the conduct of SpareBank 1 Markets and/or the person advising on, or selling the product, should be addressed to SpareBank 1 Markets, PB 1398, 0114 Oslo or by email to [klagebehandling@sb1markets.no](mailto:klagebehandling@sb1markets.no).

Upon receipt, the SpareBank 1 Markets appeal body will send you information on the expected treatment period for your complaint and the possibility to have the complaint assessed by an appeal body. The complaint will be answered without undue delay. You will be informed in writing of the outcome of the complaint. If you do not fully accept the outcome, this will be justified in writing.

You are entitled to appeal the decision to Verdipapirforetakenes Forbunds Etske Råd ([www.vpff.no](http://www.vpff.no)) eller Finansklagenemda ([www.finkn.no](http://www.finkn.no)).

## Other relevant information

The risks set out in this document highlight some, but not all, of the risks of investing in this product. Prior to making any investment decision, you should satisfy yourself that you fully understand the risks relating to this product and seek professional advice as necessary. The information in this document does not constitute a recommendation to buy or sell the product.