



Skandinaviska Enskilda Banken

(Incorporated in the Kingdom of Sweden with limited liability)

Global Programme for the Continuous Issuance of Medium Term Notes and Covered Bonds

This Supplement (the **Supplement**) to the Information Memorandum dated 26th June, 2020, in relation to the Global Programme for the Continuous Issuance of Medium Term Notes and Covered Bonds (the **Information Memorandum**), which comprises a Base Prospectus for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) constitutes a supplement to the prospectus for the purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the Global Programme for the Continuous Issuance of Medium Term Notes and Covered Bonds (the **Programme**) which was established by Skandinaviska Enskilda Banken AB (publ) (**SEB**).

Terms defined in the Information Memorandum have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Information Memorandum and any other supplements to the Information Memorandum issued by SEB.

SEB accepts responsibility for the information contained in this Supplement. To the best of the knowledge of SEB the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**) as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank should not be considered as an endorsement of SEB or the quality of the Notes. Investors should make their own assessment as to the suitability of the Notes.

On 15th July, 2020, SEB published its interim report entitled "Interim Report January – June 2020" (the **Interim Report**) containing its unaudited consolidated and non-consolidated interim financial statements (including the auditor's limited review report thereon) in respect of the six month period ended 30th June, 2020 (the **Q2 Financial Statements**), together with the publication entitled "Fact Book January – June 2020" relating thereto (the **Q2 Fact Book**).

The purpose of this Supplement is to (i) incorporate by reference certain sections of the Interim Report and the Q2 Fact Book as specified below; (ii) confirm there has been no significant change in the financial performance or position of the Bank or the SEB Group since 30th June, 2020; (iii) update the paragraph entitled "*Key Figures*" contained in the Information Memorandum, together with the immediately following paragraph; (iv) update the Information Memorandum with certain updates to the SONIA reference rate provisions; and (v) update the section entitled "*Recent Developments*" contained in the Information Memorandum.

By virtue of this Supplement, the following documents shall be incorporated by reference in, and form part of, the Information Memorandum:

1. the Q2 Financial Statements set out on pages 13 – 16 (inclusive), on pages 18 – 45 (inclusive) and on pages 47 – 49 (inclusive) and the section entitled “*Auditor’s review report*” on page 46 of the Interim Report; and
2. the section entitled “Market Risk” set out on page 29 of the Q2 Fact Book.

Since 30th June, 2020, the last day of the financial period in respect of which the most recent unaudited interim financial statements of the Bank have been published, there has been no significant change in the financial performance or position of the Bank or the SEB Group.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Regulation except where such information or other documents are specifically incorporated by reference.

The non-incorporated parts of the Interim Report and the Q2 Fact Book are either not relevant for the investor or covered elsewhere in the Information Memorandum.

A copy of the Interim Report can be viewed on the website of SEB and is available at https://sebgroup.com/siteassets/investor_relations1/interim_reports/2020_q2_interim.pdf. A copy of the Q1 Fact Book can be viewed on the website of SEB and is available at https://sebgroup.com/siteassets/investor_relations1/factbook/2020_q2_factbook.pdf.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Information Memorandum by this Supplement and (b) any other statement in or incorporated by reference into the Information Memorandum, the statements in (a) above will prevail.

Save as disclosed in this Supplement and any supplement to the Information Memorandum previously issued, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Information Memorandum since the publication of the Information Memorandum.

Amendments or Additions to the Information Memorandum

1. *Key Figures*

Further to the incorporation by reference of the above sections of the Interim Report and the Q2 Fact Book into the Information Memorandum, the paragraph entitled “*Key Figures*” on starting page 119 of the Information Memorandum, together with the immediately following paragraph, shall be updated and replaced with the following paragraphs:

“KEY FIGURES

The table below shows certain key figures for SEB on a consolidated basis.

	As at/six months ended 30th June	As at/year ended 31st December	
	2020	2019	2018
(Unaudited)			
Return on equity ¹⁾ %	7.4	13.7	16.3
Return on equity, excluding items affecting comparability ²⁾ %	8.6	13.8	13.4

	As at/six months ended		As at/year ended 31st December	
	30th June			
	2020	2019	2019	2018
Return on tangible equity %	7.8	14.5	-	
Return on tangible equity, excluding items affecting comparability ²⁾ %	9.1	14.6	-	
Return on risk exposure amounts ³⁾	1.5	2.7	3.7	
Basic earnings per share ⁴⁾ (SEK)	2.70	9.33	10.69	
Cost/income ratio ⁵⁾	0.47	0.46	0.48	
Net ECL level ⁶⁾ %	0.35	0.10	0.06	
Stage 3 (credit-impaired) loans/total loans, gross %....	0.86	0.67	0.50	
Total capital ratio ^{7), 8)} % (at period end).....	22.2	23.3	22.2	
CET1 capital ratio ⁹⁾ % (at period end).....	17.8	17.6	17.6	
Tier 1 capital ratio ¹⁰⁾ % (at period end).....	19.7	20.8	19.7	
Weighted average number of shares outstanding (millions) ¹¹⁾	2,165	2,162	2,164	
Liquidity Coverage Ratio ¹²⁾ % (at period end).....	138	218	147	
Leverage ratio ¹³⁾ % (at period end).....	4.3	5.1	5.1	

- 1) Net profit attributable to shareholders in relation to average shareholders' equity (calculated using month-end data).
- 2) Net profit attributable to shareholders, excluding items affecting comparability and their related tax effect, in relation to average shareholders' equity (calculated using month-end data). Items affecting comparability include (i) an administrative fine of SEK 1,000 million issued by the SFSA to SEB on the SFSA finalising its review of SEB's governance and control of measures against money laundering in SEB's Baltic banks, (ii) the completion of the sale of SEB Pension on 30th May 2018, which resulted in a capital gain that was to a large extent tax exempt of SEK 3,565 million, (iii) finalisation of the acquisition by Asiakastiето Group Plc (**Asiakastiето**) of UC AB on 29th June, 2018, which resulted in SEB receiving shares in Asiakastiето and SEK 300 million cash, as well as a tax-exempt capital gain of SEK 941 million and (iv) in relation to the core business in Germany being transferred from SEB AG to the German branch of SEB on 2nd January, 2018, a recognition of provisions related to redundancy and excess premises amounting to a total of SEK 521 million.
- 3) Net profit attributable to shareholders in relation to average risk exposure amounts (**REA**) (calculated using month-end data).
- 4) Net profit attributable to shareholders in relation to the weighted average number of shares outstanding (calculated on a daily basis) before dilution.
- 5) Total operating expenses in relation to total operating income.
- 6) Net credit impairments as a percentage of the opening balance of debt securities and loans to the public and credit institutions measured at amortised cost, financial guarantees and loan commitments, less the expected credit loss (**ECL**) allowances (the allowance for expected credit losses on financial assets, contract assets, loan commitments and financial guarantee contracts). The net ECL level is based on the IFRS 9 expected loss model.
- 7) The total capital of the financial group of undertakings, which includes both Group companies (other than insurance companies within the Group) and non-consolidated associated companies, adjusted according to the Basel III capital adequacy rules as a percentage of REA.
- 8) According to SEB's interpretation of the CRD IV/CRR regulatory requirements and as reported to the SFSA.
- 9) The common equity Tier 1 capital as a percentage of REA.
- 10) The Tier 1 capital as a percentage of REA.
- 11) The number of issued shares, less shares owned by the Group, weighted on a daily basis.
- 12) High-quality liquid assets in relation to the estimated net cash outflows over the next 30 days. Calculated according to SFSA regulations for the respective period. This is according to the definition under the relevant EU regulations.
- 13) Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to the standardised approach.

SEB's net expected credit losses were SEK 4,185 million, with a net expected credit loss level (**net ECL level**) of 0.35 per cent., for the six months ended 30th June, 2020 compared to SEK 808 million, with a net ECL level of 0.07 per cent., for the corresponding period in 2019. SEB's net expected credit losses were SEK 2,294, with a net ECL level of 0.10 per cent., for the year ended 31 December 2019, compared to SEK 1,166, with a net ECL level of 0.06 per cent. for the year ended 31 December 2018."

2. Updates to the SONIA reference rate provisions

2.1 Terms and Conditions of the Notes

On page 71 of the Information Memorandum, at the end of Condition 4C.02 in section entitled the ‘*Terms and Conditions of the Notes*’ under the definition of ‘Relevant Number’ the following new paragraph shall be included:

“If the SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service at the relevant time on the relevant Interest Determination Date as specified in the applicable Final Terms, the Compounded Daily SONIA rate for the applicable Interest Period shall be “Compounded Daily SONIA” as calculated on such Interest Determination Date, determined in accordance with Condition 4C.02(iii)(A) above as if Index Determination is not specified as being applicable in the applicable Final Terms. For these purposes, the Relevant Number specified in the applicable Final Terms shall be the “Observation Look-Back Period” and the “Observation Method” shall be deemed to be “Shift” as if Index Determination is not specified as being applicable and these alternative elections had been made.”.

2.2 *Pro Forma Final Terms*

On page 105 of the Information Memorandum in the section entitled ‘*Pro Forma Final Terms*’ at the end of paragraph 17(vii) on Floating Rate Note provisions, the following new item shall be included:

“– SONIA Compounded Index: [[*specify the relevant index*]/Not Applicable]”.

2.3 *Recent Developments*

- 2.3.1 The section entitled ‘*Recent Developments – The SFSA publishes its findings following its supervisory review of SEB*’ starting on page 124 of the Information Memorandum shall be updated to include the following new paragraph at the end of this section:

“SEB has now analysed the decision of the SFSA following its supervisory review of SEB’s routines and processes with regards to the regulatory frameworks that govern anti-money laundering. Despite the fact that SEB does not agree with the SFSA’s decision in all parts, SEB has after an overall assessment decided not to proceed with an appeal.”

- 2.3.2 The section entitled ‘*Recent Developments – The impact of the COVID-19 pandemic on SEB*’ starting on page 125 of the Information Memorandum shall be updated to include the following new paragraphs at the end of this section:

“The outbreak of the COVID-19 pandemic and the response measures undertaken by various governments in an attempt to limit its spread, have rapidly and significantly affected societies, economies and financial markets globally. The negative financial and economic consequences may be extensive in SEB’s home markets. Governments, central banks and financial supervisory authorities implemented additional crisis relief measures, while countries continued to gradually re-open and ease restrictions. The total size of all measures implemented as of 15th July, 2020 corresponds to around 20 per cent of the global gross domestic product, while the equivalent number for Sweden is 22 per cent of the Swedish gross domestic product.

SEB has as of 15th July, 2020, processed pandemic related credit requests corresponding to an amount of around SEK 139 billion, which is more than twice the volume SEB would typically see during a full year. SEB has also granted grace periods on lending and pension solutions for around 28,000 customers in need of additional liquidity.

Net fee and commission income fell by 6 per cent for the three months ended 30 June 2020, as compared to the three months ended 31st March 2020, as payment and card fees were subdued. Net fee and commission income decreased by 8 per cent for the three months ended 30 June 2020, as compared to the corresponding period for 2019.

Net financial income increased to SEK 3.5 billion for the three months ended 30 June 2020 from SEK -0.8bn for the three months ended 31st March 2020. The negative development with falling asset prices and widening credit spreads in the first quarter was largely reversed in the second quarter, which combined with continued high customer activity within SEB's Markets business resulted in a strong recovery. Net financial income for the three months ended 30th June 2020, as compared to the corresponding period for 2019 more than doubled.

Net expected credit losses increased to SEK 2.7 billion in the three months ended 30th June 2020 as SEB continued to make provisions in line with IFRS 9, driven by an updated macroeconomic forecast.

The economic recovery, in Sweden as well as globally, will remain dependent on the effectiveness of policy responses, the measures taken to safeguard international trade as well as the duration of the COVID-19 pandemic.

Financial markets are expected to continue to be volatile given the prevailing uncertainty. This may adversely impact fair values of certain financial instruments and holdings, and, consequently, net financial income and capital.

The interest rate levels and in particular the repo rate in Sweden are key factors affecting the net interest income and operating profit. As of 15th July, 2020 the Swedish central bank does not forecast any change to its repo rate, which as of 15th July, 2020 is zero per cent, until the end of 2023.”