



U.S. Resolution Plan

Public Section

December, 2016

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This document contains certain forward-looking statements that reflect SEB's current views with respect to future events. Forward-looking statements are all statements in this document that do not relate to historical facts and events. While these forward-looking statements represent SEB's judgments and future expectations concerning the development, actual developments could differ from SEB's expectations. SEB undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Introduction

Skandinaviska Enskilda Banken AB (publ) (herein the “Bank”, or “SEB AB”) is a foreign banking organization duly organized and existing under the laws of Sweden. In the United States, the Bank maintains a New York state-licensed branch (the “New York Branch”) and operates subsidiaries, as described below. This resolution plan (the “U.S. Resolution Plan”) is being filed by the Bank pursuant to Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and 12 C.F.R. §243 (the “Regulation”).

Section 165(d) of the Dodd-Frank Act and the Regulation require a foreign bank or company that is, or is treated as, a bank holding company under section 8(a) of the International Banking Act of 1978 (the “IBA”) and that has \$50 billion or more in total consolidated assets to submit annually a plan for the rapid and orderly resolution of the foreign bank’s U.S. operations in the event of material financial distress or failure. The resolution plan must provide a strategic analysis of how the U.S. operations of the foreign-based bank (sometimes referred to as a “covered company”) can be resolved under the U.S. Bankruptcy Code or other applicable insolvency regime within a reasonable period of time and in a manner that would mitigate the risk of serious adverse effects to U.S. financial stability.

The Bank is treated as a bank holding company under the IBA by virtue of maintaining a U.S. branch, and also has Financial Holding Company (FHC) status. The Bank, together with its subsidiaries (“SEB”, or the “SEB Group”) has \$50 billion or more in total global consolidated assets, as determined based upon the average of the Bank’s four most recent quarterly Capital and Asset Reports for Foreign Banking Organizations as reported on FRB Form FR Y-7Q. Therefore, it is a foreign-based covered company subject to the resolution plan requirements of Section 165(d) and the Regulation.

This document constitutes the Public Section (“Section 1”) of the Bank’s U.S. Resolution Plan.

Overview of SEB

SEB is a leading Nordic financial services group. As a relationship bank strongly committed to delivering customer value, SEB offers financial advice and a wide range of financial services to corporate customers, financial institutions and private individuals in Sweden and the Baltic countries. In Denmark, Finland, Norway and Germany, SEB’s operations focus on delivering a full range of financial services to corporate and institutional clients and building long-term customer relationships. As of December 31, 2015, SEB had total assets of SEK 2,496 billion and total equity of SEK 143 billion.

The Group’s business is organized into the following divisions:

- *Large Corporates & Financial Institutions* – providing wholesale banking and investment banking services to large companies and institutional clients in SEB’s core markets;
- *Corporate & Private Customers* – providing banking and advisory services to private individuals and SMEs in Sweden, and card services in the Nordic countries;
- *Life & Investment Management* - providing life insurance products for private individuals and corporate customers, mainly in Sweden, Denmark and the Baltic countries, as well as asset management, investment management, including mutual funds, and private banking services to institutional clients and high net worth individuals; and

- *Baltic* – providing retail, corporate and institutional banking services, such as trading and capital markets and transaction services, to Estonian, Latvian and Lithuanian clients.

At December 31, 2015, SEB’s customer base consisted of approximately 3,000 large corporate and institutional customers, approximately 400,000 SMEs and approximately four million private individuals. At the same date, SEB had approximately 16,000 employees and 252 retail branch offices in Sweden and the Baltic countries. The international nature of SEB’s business is reflected in its presence in approximately 20 countries, with offices to support and service mainly its large corporate and institutional customers. Outside Sweden, the Bank’s presence includes subsidiaries or branches in the following countries:

| Geographical presence of the Bank | | |
|-----------------------------------|----------------|----------------|
| Estonia | Latvia | Lithuania |
| Norway | Denmark | Finland |
| Germany | United Kingdom | Luxembourg |
| Switzerland | Ukraine | Russia |
| Poland | Ireland | Singapore |
| China ¹ | United States | Cayman Islands |

The Parent Bank has representative offices in Beijing (China), Moscow (Russia), New Delhi (India) and São Paulo (Brazil).

The Bank was incorporated under the laws of Sweden in 1972 through the amalgamation of Stockholms Enskilda Bank and Skandinaviska Banken as a limited liability company. Stockholms Enskilda Bank was founded in 1856 by André Oscar Wallenberg as Stockholm’s first privately-held bank. Skandinaviska Kreditaktiebolaget (later Skandinaviska Banken) commenced operations in 1864 as Stockholm’s second privately-held bank.

Summary of resolution plan

A. Description of material entities

The Regulation provides the following definitions for “material entity,” “critical operations” and “core business lines”:

- “*Material entity*” means a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line.
- “*Critical operations*” are those operations, including associated services, functions and support, the failure or discontinuance of which, in the view of the covered company or as jointly directed by the FRB and the FDIC, would pose a threat to the financial stability of the U.S.

¹ The Bank has branches in Shanghai and Hong-Kong.

- “Core business lines” are those business lines, including associated operations, services, functions and support that, in the covered company’s view, upon failure would result in a material loss of revenue, profit, or franchise value.

In the United States, the Bank has one branch office, SEB AB, New York Branch (herein the “New York Branch”, or the “Branch”), and a broker-dealer subsidiary, SEB Securities Inc. (herein, “SEB Securities” or the “Broker-Dealer”). In addition, the Bank owns Suecia Insurance Company, which is a small re-insurance company in the process of run-off. The Bank has determined that none of its U.S. entities is a “material entity” for the purposes of the U.S. Resolution Plan. A brief description of the New York Branch and of the Broker-Dealer is provided below. These two entities represent the only significant share of assets, liabilities and activities conducted in SEB’s U.S. operations.

The New York Branch

The New York Branch is licensed by the New York State Department of Financial Services (“NYDFS”) and is located at 245 Park Avenue, New York. The branch primarily engages in the following activities:

- Corporate Banking
- FX Sales and Trading
- Treasury operations

A brief summary of the New York Branch’s assets and liabilities is provided in part C.

The Broker-Dealer

The Broker-Dealer is a New York corporation that is registered as a broker-dealer with the U.S. Securities and Exchange Commission (“SEC”) and as a member firm of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). The company is located at 245 Park Avenue, New York. The activities of the Broker-Dealer include:

- Equity Trading and Sales
- Securities Lending
- Capital Markets

A brief summary of the Broker-Dealer’s assets and liabilities is provided in part C.

B. Description of core business lines

Core business lines are those business lines that upon failure would result in a material loss of revenue, profit or franchise value for the Bank. After careful consideration, the Bank, the New York Branch and the Broker-Dealer have concluded that none of the services and activities of the New York Branch or the Broker-Dealer is material to a core business line of the Bank.

- There is no activity of the New York Branch that, upon failure and winding up of the Branch’s operations, would result in a material loss of revenue, profit or franchise value for the Bank. In the event of the failure of the Bank and the Branch or insolvency of the Branch, its customers could readily find replacement services through other banks and financial institutions. If all of the activities of the New York Branch were terminated suddenly and immediately (because of an

idiosyncratic economic event affecting only the Bank and its U.S. operations), the effect of such a sudden loss of Branch revenues on the Bank would be *de minimis*. The Bank could readily replace the activities and services or activities now provided by or through the New York Branch through its other international branches and subsidiaries. For these reasons, a determination has been made that the New York Branch is not a “material entity.”

- The Broker-Dealer is very small and the services that it provides could quite easily be replaced by services provided by another U.S. broker-dealer.

In effect, because of the *de minimis* size of its non-banking operations and limited nature of its Branch operations, the Bank does not have any material entities located in the United States.

C. Summary financial information

Balance sheet information SEB Group

SEB Group’s balance sheet as of December 31, 2015 and 2014 is summarized below.

| <i>SEK millions</i> | 2015 | 2014 |
|---|------------------|------------------|
| Cash and cash balances with central banks | 101,429 | 103,098 |
| Other lending to central banks | 32,222 | 16,817 |
| Loans to other credit institutions | 58,542 | 90,945 |
| Loans to the public | 1,353,386 | 1,355,680 |
| Financial assets at fair value | 827,049 | 936,844 |
| Available-for-sale financial assets | 37,368 | 46,014 |
| Held-to-maturity investments | — | 91 |
| Assets held for sale | 801 | 841 |
| Investments in associates | 1,181 | 1,251 |
| Tangible and intangible assets | 26,203 | 27,524 |
| Other assets | 57,783 | 62,141 |
| Total assets | 2,495,964 | 2,641,246 |
| Deposits from central banks and credit institutions | 118,506 | 115,186 |
| Deposits and borrowing from the public | 883,785 | 943,114 |
| Liabilities to policyholders | 370,709 | 364,354 |
| Debt securities | 639,444 | 689,863 |
| Other financial liabilities at fair value | 232,393 | 280,763 |
| Other liabilities | 75,084 | 70,257 |
| Provisions | 1,873 | 2,868 |
| Subordinated liabilities | 31,372 | 40,265 |
| Total equity | 142,798 | 134,576 |
| Total liabilities and equity | 2,495,964 | 2,641,246 |

Funding and liquidity of SEB Group

The principal sources of funding for SEB Group consist of deposits from the public (including retail and wholesale deposits), deposits from Swedish, German and other financial institutions and issues of money market instruments, covered bonds, other types of bonds and subordinated debt. SEB believes these sources give access to a well-diversified funding base.

SEB continues to receive a large part of its funding from deposits and borrowing from the public (excluding deposits from credit institutions and repos) which amounted to 53% of its funding as of December 31, 2015.

The following table shows the breakdown of SEB's different funding sources as of December 31, 2015, and 2014.

| <i>SEK billion</i> | 2015 | 2014 |
|---|--------------|--------------|
| Deposits and borrowings from the public | 884 | 937 |
| Deposits from central banks | 58 | 42 |
| Deposits from credit institutions | 60 | 68 |
| Debt securities | 639 | 690 |
| Subordinated liabilities | 31 | 40 |
| Funding | 1,673 | 1,777 |

Funding of the New York Branch

The major funding sources of the New York Branch are certificates of deposits, deposits from other banks and institutions, and funding from Head Office. The New York Branch carefully monitors and manages liquidity risk to ensure that changes in funding requirements can be met without a material adverse impact on the financial condition and operation of the New York Branch, or the Bank. Liquidity risk management is a top priority of the Bank and the New York Branch. The Bank and the New York Branch regularly consider alternative sources for funding that could be used if normal sources are no longer available. The Bank and the New York Branch maintain business relationships with a diverse group of well-capitalized banks and financial institutions as funding sources, and could seek additional financing from other banks and financial institutions if necessary. The Bank has also adopted a rigorous stress testing process for the SEB Group as a whole. Such process seeks to preserve funding liquidity at all times and is more fully described in the Bank's annual report.

Capital adequacy of SEB Group

The following table shows the SEB Group's capital adequacy as of December 31, 2015 and 2014.

| <i>SEK million (except where otherwise indicated)</i> | 2015 | 2014 |
|--|-------------|-------------|
| Own funds | | |
| CET1 capital | 107,535 | 100,569 |
| Tier 1 capital | 121,391 | 120,317 |
| Total own funds | 135,782 | 136,899 |
| Own funds requirement and capital ratios | | |
| Risk exposure amount | 570,840 | 616,531 |
| Expressed as own funds requirement | 45,667 | 49,322 |
| CET1 capital ratio | 18.8% | 16.3% |
| Tier 1 capital ratio | 21.3% | 19.5% |
| Total capital ratio | 23.8% | 22.2% |
| Transitional floor Basel I capital requirement | | |
| Basel I own funds requirement | 79,123 | 79,581 |
| Own funds according to Basel I | 135,478 | 136,015 |
| Own funds in relation to Basel I own funds requirement | 1.71 | 1.71 |

The New York Branch's assets and liabilities

As set out in the New York Branch's Call Report (December 31, 2015) filed on form FFIEC 002 (Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks), the Branch's total assets as of December 31, 2015 were US\$ 9,520 million, the majority of which was comprised of cash and balances with the Federal Reserve. The Branch's total liabilities as of December 31, 2015, were US\$ 9,520 million, the majority of which was comprised of certificates of deposit issued to corporate and institutional customers.

The New York Branch does not hold standalone capital and is not subject to minimum regulatory capital requirements. However, in accordance with Section 202-b of the New York Banking Law ("NYBL"), the NYDFS requires the Bank to maintain an asset pledge deposit, typically equal to a percentage of the third party liabilities of the New York Branch (at present 1 percent of the average of the New York Branch's third party liabilities as of each Wednesday in the preceding month) with another depository institution in New York to ensure that the New York Branch maintains a minimum amount of unencumbered assets in the United States that is available in the event of liquidation.

The Broker-Dealer's assets and liabilities

The Broker-Dealer's balance sheet as of December 31, 2015 was comprised of US\$ 40.9 million in total assets. Total liabilities and equity in sum amounted to US\$ 40.9 million.

D. Description of derivative and hedging activities

Derivative activities of SEB Group

SEB's derivative contract volumes are primarily driven by offering clients derivatives products for management of their financial exposures. The Group manages the resulting positions by entering into offsetting contracts in the market place. As a consequence, the mix of derivatives largely reflects the demand of SEB's customer base. Customer and market making transactions form part of SEB's trading book and are valued on a continuous basis based on market prices.

The Group also uses derivatives for the purpose of protecting the cash-flows and fair value of SEB's financial assets and liabilities from interest rate fluctuations. These contracts are also accounted for at market value.

The major portion of the Group's derivatives is related to contracts with short maturity, which are dominated by interest- and currency-related forwards. A minor portion consists of exchange-traded derivatives contracts, where profits and losses are continuously settled on a cash basis.

Hedging activities of SEB Group

The Group hedges the currency valuation risk of net investments in foreign operations through currency borrowings and currency forwards. When the Group hedges the fair value of interest rate exposure in a portfolio including financial assets or financial liabilities, the gains and losses attributable to the hedged item are reported as separate items under assets or liabilities, as appropriate, in the consolidated balance sheet. The Group applies the version of IAS 39 adopted by the European Union when determining the accounting treatment of these portfolio hedges of interest rate risk.

The New York Branch's hedging and derivatives activities

The New York Branch does not engage in hedging or derivatives activities for its own account. However, the New York Branch provides support and back office services for the Bank's trading platform.

E. Memberships in material payment, clearing, and settlement systems

SEB's U.S. entities are not direct members in any payment, clearing or settlement systems.

F. Description of foreign operations

The table below shows the geographical distribution of income and operating profit per country for the SEB Group for the year 2015. The total income of the SEB Group in 2015 was SEK 44,148 million, and the total operating profit of SEB Group was SEK 20,865 million.

| % of total | Income | Operating profit |
|-------------------|---------------|-------------------------|
| Sweden | 60% | 57% |
| Norway | 8% | 10% |
| Denmark | 6% | 6% |
| Finland | 4% | 5% |
| Germany | 6% | 4% |
| Estonia | 3% | 3% |
| Latvia | 2% | 2% |
| Lithuania | 3% | 2% |
| Other | 9% | 10% |
| Total | 100% | 100% |

G. Material supervisory authorities

SEB Group

The Bank, including its subsidiaries and overseas offices, is subject to supervision and regulation under the various laws of the countries in which it operates.

In Sweden, Finansinspektionen is the regulatory and supervisory authority for financial and insurance institutions, including the Bank and some of its subsidiaries. The Bank and its subsidiaries have been identified as a financial conglomerate under the Financial Conglomerates Directive (2002/87/EC), and Finansinspektionen has been appointed as the coordinator responsible for the coordination and exercise of supplementary supervision in respect of the Bank and its subsidiaries. Finansinspektionen issues regulations and supervises the operations of financial companies with regard to, among other things, capital adequacy requirements, customer relationships, accounting, governance structures, risk control and procedures for the prevention of money laundering.

The New York Branch

The New York Branch is licensed by the New York State Department of Financial Services ("NYDFS"). As an uninsured branch of a foreign bank, the New York Branch is subject to ongoing supervision, examination and regulation by the NYDFS and the FRB.

The Broker-Dealer

The Broker-Dealer is a New York corporation that is registered as a broker-dealer with the U.S. Securities and Exchange Commission ("SEC") and as a member firm of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). The

Broker-Dealer is subject to regulation and examination by the SEC and FINRA for all aspects of its securities business.

H. Principal officers

The table below sets forth the name and position of members of SEB’s Group Executive Committee.

| Name | Position |
|-----------------------------|---|
| Annika Falkengren..... | President and CEO |
| Magnus Carlsson..... | Deputy President and CEO |
| Jeanette Almberg..... | Head of Human Resources |
| Joachim Alpen..... | Co-head of division Large Corporates & Financial Institutions |
| Jan Erik Back..... | Chief Financial Officer and Executive Vice President |
| Peter Dahlgren..... | Head of division Life & Investment Management |
| Viveka Hirdman-Ryrberg..... | Head of Communications |
| Martin Johansson..... | Head of Business Support |
| Christoffer Malmer..... | Co-head of division Corporate & Private Customers |
| David Teare..... | Chief Risk Officer |
| Johan Torgeby..... | Co-head of division Large Corporates & Financial Institutions |
| Mats Torstendahl..... | Co-head of division Corporate & Private Customers |

I. Corporate governance structure and processes related to resolution planning

SEB has adopted a governance structure for Recovery and Resolution Planning that builds on existing governance frameworks. The governance structure leverages existing roles and responsibilities of the Group’s main decision-making units, and also includes enhancements in order to address the specific requirements of Recovery and Resolution Planning. SEB’s Recovery and Resolution Planning working team has been in place since 2012 and is responsible for day-to-day coordination of Recovery & Resolution Planning matters. The working team is organizationally placed within the CFO area.

SEB’s U.S. Resolution Plan was approved by the Bank’s Board of Directors on December 7, 2016. Prior to this, the U.S. Resolution Plan was reviewed and supported by the Risk and Capital Committee (RCC) of the Board of Directors of the Bank, and by the President’s Asset and Liability Committee (ALCO) of the Bank.

J. Description of material management information systems

SEB U.S operations utilize SEB Group’s IT systems for all major aspects of the operations. In connection with the preparation of the SEB U.S. Resolution Plan, the Bank has identified the main management information systems and applications used in its U.S operations. The management information systems and applications have been mapped to legal entity, as well as grouped into the main areas of usage, such as Risk Management, Financial, Compliance, and product area specific systems and applications.

In addition, the Bank maintains a Business Continuity Plan for the New York Branch and the Broker-Dealer. The Business Continuity Plan includes, inter alia, an assessment of prioritized IT systems to be maintained throughout a crisis situation.

K. High level description of resolution strategy

The U.S. Resolution Plan takes into consideration possible strategies for the rapid and orderly resolution of the Bank's U.S. operations under applicable resolution regimes in the event of material financial distress or failure of the Bank and its U.S. entities. The strategies are designed to be executed within a reasonable period of time and in a manner that avoids or substantially mitigates systemic impact on U.S. financial stability.

Assumptions

The U.S. Resolution Plan makes the following assumptions:

- For purposes of its initial resolution plan filed in December 2013, as permitted by 12 C.F.R. §§ 243.4(a)(4)(i) and 381.4(a)(4)(i), the Bank assumed that the Bank and its U.S. legal entities are in material financial distress or failure as a result of an idiosyncratic event specific to the Bank that occurs under baseline conditions when U.S. and global financial markets are not experiencing financial distress. As required under the cited sections and as discussed in the Confidential section, the Bank's resolution plan also takes into account certain adverse and severely adverse scenarios.²
- The Bank does not have access to unsecured funding.
- The Bank will not receive any extraordinary support from the United States government or any other government to prevent its failure.

The New York Branch

Due to the relationship of the New York Branch to the Bank's head office, and the Branch's dependence on the head office for financial support, the insolvency of the Bank would result in the insolvency of the New York Branch. Generally, a foreign bank with a branch or agency in the United States would be excluded as a "debtor" under Chapter 7 and Chapter 11 of the U.S. Bankruptcy Code, and would instead be resolved under applicable federal or state bank insolvency regimes. As a state-licensed branch, the New York Branch of the Bank is subject to the requirements of the New York State bank insolvency law. Under the New York law, the Superintendent of the New York State Department of Financial Services may seize certain U.S. assets of the Bank if, among other things, the Bank is in liquidation either in the home country or elsewhere or there is reason to doubt that the Bank is able or willing to pay the claims of its New York Branch creditors.

Other U.S. entities

The non-branch assets of SEB U.S. operations would be resolved under the separate legal regimes applicable to each entity. The Broker-Dealer, SEB Securities Inc. would be resolved under the Securities Investor Protection Act or SIPA.

² "Material financial distress" means that (1) the Bank has incurred, or is likely to incur, losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for the Bank to avoid such depletion; (2) the assets of the Bank are, or are likely to be, less than its obligations to creditors and others; or (3) the Bank is, or is likely to be, unable to pay its obligations (other than those subject to a bona fide dispute) in the normal course of business.