

Interim report Jan - Sept 2008

STOCKHOLM 23 OCTOBER 2008

The first three quarters – SEB’s operating profit SEK 7.9bn (12.4)

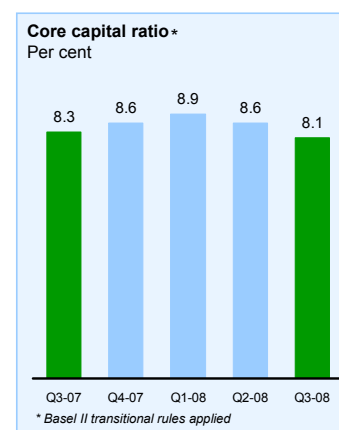
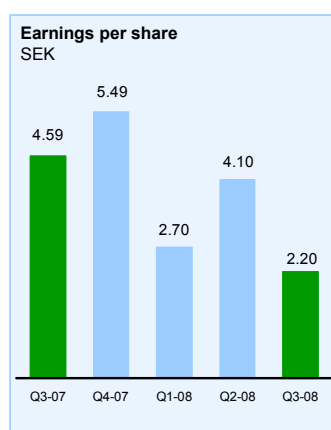
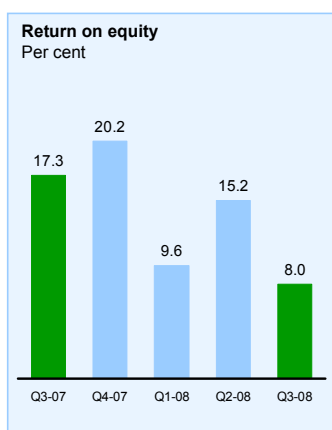
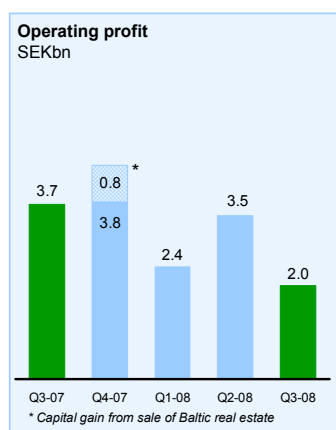
- Operating profit for January-September 2008 amounted to SEK 7,927m, a decrease of 36 per cent compared with the corresponding period of 2007. Net profit was SEK 6,171m (9,885).
- Net interest income rose by 14 per cent. Net fee and commission income was 11 per cent lower. Overall operating income decreased by 8 per cent; valuation losses on the investment portfolio amounted to SEK 1,286m.
- Operating expenses increased by 7 per cent.
- Net credit losses amounted to SEK 1,545m (703). The credit loss level was 0.19 per cent (0.10).
- Return on equity was 10.9 per cent (19.0) and earnings per share SEK 9.00 (14.62).

The third quarter – SEB’s operating profit SEK 2.0bn (3.7)

- Operating profit amounted to SEK 2,010m. Net profit for the third quarter was SEK 1,514m.
- Highest net interest income to date. Combined lending and deposit volumes grew by SEK 109bn.
- Valuation losses on the investment portfolio were SEK 348m and losses from the default of Lehman Holdings, Inc. and related companies amounted to SEK 677m including settlement of all positions.
- Operating expenses decreased by 7 per cent compared with the previous quarter, but were 7 per cent higher than the corresponding period of 2007.

“In these challenging times SEB has had a continued sound capital position and good access to funding. It has been key for us to maintain business as usual and to strengthen customer relationships. In the new financial landscape I believe we will gradually see a return to more traditional banking, which fits well to our strategy built on a robust platform and long-term customer relationships.”

Annika Falkengren



President's comment

During the third quarter, financial markets experienced an unprecedented turbulence on a global scale following the Lehman Brothers' default. Also the fundamentally sound Swedish financial system was impacted.

For those of us who experienced and learned from the Swedish financial crisis in the early 1990s, it was alarming to see how mistrust gripped markets globally, resulting in scarce liquidity and non-functioning interbank markets. As the crisis mounted day by day, it was clear that there were large financial systemic risks affecting also the outlook for the world economy. Following the actions taken by governments and central banks around the world, there are signs that funding markets are slowly returning to a more normalised situation.

In these challenging times SEB has had a continued sound capital position and good access to funding. It has been key for us to maintain business as usual and to strengthen customer relationships throughout the quarter, offering our customers advisory services and financing solutions. Our staff has shown a deep commitment.

The quarterly operating profit of SEK 2,010m is not satisfactory, but must be seen in the light of the markets almost coming to a standstill during September.

Income dropped in areas such as asset management and life insurance due to lower values caused by falling equity markets. With bond markets partly closed and the sharply widening credit spreads, net financial income dropped substantially. The quarter also included provisions of SEK 677m for losses related to SEB's exposure on Lehman Brothers.

However, the underlying business remained robust. Business volumes and sales were strong in foreign exchange, cash management, mutual funds and life insurance as well as within areas such as Swedish retail and private banking. We strengthened our position as market leader on the Nordic stock exchange.

In the Baltic countries, the macro-economic outlook has further deteriorated. Our view is that there will be a protracted period of low, even negative, GDP growth in Estonia and Latvia during the next few years. Also Lithuania is beginning a gradual, domestically driven slowdown. Watch-list volumes and impaired loans are higher in the region. As a consequence, we continue to increase collective reserves and to proactively address asset quality.



The bleak global economic outlook will impact our customers and thus earnings in the financial industry. We are planning for marked effects in the real economy.

In 2007, we took several steps to integrate the bank and to increase efficiency and quality, freeing up resources for investments in new business. Productivity gains were created as higher business volumes were handled by reduced number of employees in Sweden. Since then the number of employees have increased and we are now back to the same level as in 2006. As we are now on the brink of an economic downturn we will accelerate cost efficiency measures. One measure will be to realise effects equivalent to 5 per cent of the staff in Sweden. This translates into a net reduction of 500 employees. The redundancy cost of SEK 600m may be provisioned for in the fourth quarter.

This quarter with its drama and fears for the global financial system will indeed be remembered. To me, with over 20 years in banking, it has been the most challenging period ever. No one had expected the tunnel to be so dark and long as it turned out to be. The light in the tunnel is now slowly beginning to filter through as central banks and governments have joined forces to stabilise financial markets.

It is clear that the financial turmoil has repainted the prerequisites for the financial industry. Liquidity premiums will be higher. The bar has been raised for banks' capitalisation. Banks with a strong balance sheet will be able to act on opportunities that now arise. I believe we will see a return to more traditional banking, which fits well with our strategy built on a robust platform and long-term customer relationships.

Third quarter isolated

SEB's *operating profit* for the third quarter amounted to SEK 2,010m (3,726). This was a decrease of 46 per cent compared with the corresponding quarter of 2007 and 43 per cent lower than in the second quarter of 2008. *Net profit* dropped by 51 per cent to SEK 1,514m (3,101).

Income

Total operating income amounted to SEK 8,705m (9,493). This was 8 per cent lower than for the third quarter of last year and 16 per cent down from the previous quarter.

Net interest income increased by 16 per cent compared with the corresponding quarter of 2007 due to positive development of volumes and deposit margins in combination with higher interest on equity. Lending margins were lower. Dysfunctional funding markets led to large variations in internal and external price levels causing both lag effects and shifts in margins between lending and deposits. In addition, constraints in corporate customers' access to market liquidity increased their utilisation of committed facilities at historic pre-committed levels, offsetting the positive effects from higher margins on new business. Compared with the second quarter of 2008, net interest income was up by 3 per cent.

Net fee and commission income decreased by 8 per cent compared with the corresponding quarter of last year and by 4 per cent compared with the second quarter of this year, due to lower securities commissions.

Net financial income was strongly affected by the accelerated market turmoil. The bankruptcy of Lehman Brothers reduced income by SEK 540m from valuation losses on bonds and effects from SEB's close-out of all outstanding positions. Net financial income was 34 per cent down from the corresponding period in 2007 and 50 per cent down from the previous quarter, adjusted for losses related to the default of Lehman Brothers and the valuation loss of SEK 348m (779) in the investment portfolio. The lower income reflected low activity levels and falling bond prices in the disrupted capital markets.

Net life insurance income dropped, as unit-linked values decreased and further provisions for guarantees for Nya Liv were made. The decrease was 36 per cent compared with the third quarter of 2007 and 21 per cent compared with the previous quarter.

Expenses

Total operating expenses rose by 7 per cent, to SEK 5,970m (5,580) compared with the corresponding period in 2007, partly explained by acquisition effects (SEK 63m), investments in One IT Roadmap (SEK 80m) and pension provisions (SEK 94m). Excluding the higher costs for these items, costs were up by 3 per cent. Compared with the previous quarter, costs were down by 7 per cent. Provisions for short-term performance-related remuneration were reduced by 38 per cent from the previous quarter and by 35 per cent in relation to the third quarter of 2007.

Credit losses

Net credit losses increased to SEK 725m (189), of which SEK 371m (93) referred to provisions for credit losses in the Baltic countries and SEK 137m to provisions for Lehman Brothers' bankruptcy filing.

The first three quarters of 2008

SEB's *operating profit* for the first nine months of 2008 amounted to SEK 7,927m (12,437), a decrease of 36 per cent compared with the corresponding period in 2007. *Net profit* decreased by 38 per cent, to SEK 6,171m (9,885).

Income

Total operating income decreased to SEK 27,910m (30,405).

Net interest income improved by 14 per cent, to SEK 13,197m (11,623). Higher volumes contributed SEK 1,181m in net interest income; average deposit volumes grew by 5 per cent, while average lending to the public was 10 per cent higher than twelve months ago. The margin trend on new business was positive on both lending and deposits. However, the effects on margins during the third quarter impacted lending margins negatively and increased deposit margins on a nine month basis. The net effect of lending and deposit margins was an increase of net interest income by SEK 55m. Customer-driven net interest income grew by 12 per cent compared with the first nine months of 2007. Increased duration of new borrowings and higher short-term interest rate levels had a negative impact on funding costs, but including interest on equity and higher returns on treasury assets, the combined effect was a positive contribution of SEK 338m.

Net fee and commission income decreased by 11 per cent, to SEK 11,464m (12,922), mostly due to declining income from advisory services and securities transactions both within the retail and institutional business. Card-related income increased.

Net financial income fell to SEK 731m (2,819), due to lower valuations of the investment portfolio (1,286), Lehman-related losses (540) and lower income from Group Treasury and Capital Markets.

Net life insurance income decreased by 14 per cent, to SEK 1,859m (2,167). Positive sales growth could not compensate for decreased unit-linked values and provisions for guarantees for Nya Liv. A complete description of Life's operations, including changes in surplus values, is found in "Additional information" on www.sebgroup.com.

Net other income decreased to SEK 659m (874) due to lower capital gains, SEK 128m (828), and fair value adjustments in the hedge accounting.

Expenses

Total operating expenses increased by 7 per cent, to SEK 18,442m (17,266) following investments made in staff, IT and new businesses. On a more comparable basis, i.e. excluding acquisition effects (171), investments in One IT

Roadmap (302) and pension provisions (264), costs were up by 3 per cent.

The cost-efficiency gains during January-September amounted to SEK 319m, resulting in an accumulated gain of SEK 865m from the start of last year.

Staff costs rose by 5 per cent, to SEK 11,644m (11,134). This was mainly due to salary inflation and higher pension costs, arising from falling return on plan assets and changed actuarial assumptions regarding longevity. During the first nine months SEK 267m (185) was provided for redundancy costs and SEK 41m (120) for the long-term incentive programmes. Short-term performance-related remuneration was reduced by SEK 669m, to SEK 1,771m (2,440). The average number of full time equivalents increased by 1,874 to 21,310 (19,436), of whom more than 1,000 following acquisitions consolidated during 2008. Organic growth in the Baltic countries and Ukraine contributed about 500 new staff.

Other expenses increased by 10 per cent, to SEK 5,674m (5,137), mostly due to investments in One IT Roadmap, other IT development and efficiency projects.

Credit losses

The Group's *net credit losses*, including changes in the value of assets taken over, amounted to SEK 1,545m (703). The annualised credit loss level was 0.19 per cent (0.10), reflecting the overall stable asset quality of the Group.

Net credit losses in the Baltic countries increased to SEK 878m (215). The continued build-up of collective reserves in Estonia, Latvia and Lithuania in the third quarter offsets the reversals of specific provisions in Estonia made during the second quarter. The credit loss development in the Baltic countries was in line with SEB's earlier anticipated higher loss level. The net credit loss level in the Baltic countries was 0.85 per cent.

The increase in the credit loss level outside the Baltic countries was mainly due to provisioning for the Card business, partly following an increased number of frauds.

Tax costs

Total tax amounted to SEK 1,758m (2,552). The total tax rate was 22 per cent.

The Swedish Government has presented a bill that the corporate tax rate shall be lowered to 26.3 per cent from 28.0 per cent. As a consequence, the Group's effective tax rate starting 2009 will be 0.8 percentage units lower. Furthermore, a passing of the bill during the fourth quarter will lead to a revaluation of deferred tax liabilities with an immediate positive effect on total tax of around SEK 350m. Thus, the expected tax rate for the whole year of 2008 is below 20 per cent.

Business volumes

The Group's total balance sheet of SEK 2,416bn as per 30 September represented an increase of 3 per cent since year-end 2007. Positive currency effects increased total assets by SEK 53bn. Lending to banks decreased, while lending to

and deposits from the public increased by 13 and 6 per cent respectively.

SEB's total credit exposure increased to SEK 1,805bn (1,552 at year-end) during the first nine months. Credit volumes continued to grow in the corporate sectors in the Nordic countries and in Germany as did Nordic household lending. The Baltic banks' lending growth was significantly lower than in previous years.

As of 30 September 2008, assets under management amounted to SEK 1,244bn (1,370 at year-end). Net inflow during the period was SEK 34bn (47), while the change in value was SEK -177bn (76). (The acquisition of Key Asset Management contributed SEK 17bn.) SEB remained the market leader within net sales of mutual funds in Sweden, with SEK 6bn of net inflows during the first nine months on a market which experienced outflows of SEK 31bn. Assets under custody amounted to SEK 4,437bn (5,314).

Fixed-income securities portfolios

As per 30 September, SEB held total net positions in fixed-income securities of SEK 358bn (331 at year-end 2007) for investment, treasury and client trading purposes. Holdings consist mainly of covered bonds, bonds issued by financial institutions and asset-backed securities.

The SEK 130bn investment portfolio of Merchant Banking remained negatively affected by the dislocations in the credit markets. The third quarter valuation losses at SEK 2,482m, of which SEK 348m over income and SEK 2,134m over equity, were significantly higher compared with the previous quarter due to a rapid widening of credit spreads. Thus, year-to-date the mark-to-market loss on this portfolio amounted to SEK 5,106m, of which SEK 1,286m affected Net financial income and SEK 3,820m was recorded as a valuation loss in equity for Available-for-sale portfolios. SEK 3,347m of the mark-to-market loss referred to holdings in asset-backed securities and SEK 1,759m to other financial instruments, mainly bonds issued by financial institutions. Under prevailing credit market conditions and government intentions, SEB views a default on the holdings in these portfolios as unlikely.

Based on SEB's long-term investment view, risk management has focused on limiting further income volatility. Thus, the Available-for-Sale holdings have increased, while the Held-for-Trading securities have decreased. At 30 September, 87 per cent of the total holdings in the investment portfolio of SEK 130bn were classified as Available-for-Sale (46 per cent at year-end).

The holdings of asset-backed securities in the investment portfolio amounted to SEK 63bn (71 at year-end); 96.8 per cent of these securities are AAA-rated and only 0.2 per cent have a sub-investment grade rating. The average economic duration of the holdings is approximately four years. 61 per cent of the asset-backed exposures are related to the European markets and 39 per cent to the U.S. market. Direct and indirect asset-backed securities exposures on the U.S. subprime mortgage sector amounted to SEK 1.9bn (2.3 at year-end).

The holdings of covered bonds and bonds issued by

financial institutions in the investment portfolio amounted to SEK 67bn (60).

Market risk

During the first three quarters of 2008, the Group's Value at Risk in the trading operations averaged SEK 140m (92 during the calendar year 2007). This means that the Group, on average, with 99 per cent probability, should not expect to lose more than this amount during a ten-day period.

Liquidity and funding

During the third quarter of 2008, funding markets were severely disrupted by increased uncertainty among banks and investors. Due to a stable deposit-to-loan ratio of around 70 per cent and ample capacity to issue covered bonds, SEB has not restricted its lending. Furthermore, SEB has maintained good market access and benefited from the close to SEK 150bn of funds with a maturity above one year raised during the year. SEB continued to maintain a large pool of eligible assets, in excess of SEK 200bn.

At 30 September 2008, the match-funding of net cash inflows and outflows was approximately twelve months, taking liquidity reserves into consideration.

Capital position

At 30 September 2008, SEB reported a core capital ratio of 8.1 per cent (8.6 at year-end 2007) and a total capital ratio of 10.4 per cent (11.0). The lowering of Basel II implementation floors (from 95 to 90 per cent of previous requirements) in 2008 is reflected in these ratios. Capital requirements according to Basel I regulation would give ratios of 7.3 and 9.3 per cent, respectively. Since year-end, risk-weighted assets (Basel I) increased by 17 per cent. Appendix 3 provides details of capital adequacy.

Risks and uncertainties

The macro-economic environment is the major driver of risk to the Group's earnings and financial stability. In particular, it affects the asset quality and thereby the credit risk of the Group (details on the credit portfolio are described in Appendix 2). The outlook for the global economy has deteriorated and SEB holds the view that economic growth will be substantially lower in the next few years.

Also, there are financial risks mainly in the form of price risks (details on market risks are described in Appendix 4). Credit and market risks as well as other risks and risk management of all risks for the Group and the Parent Company are described in SEB's annual report for 2007 (see pp 34-41 and Note 44).

A sharp reduction of economic growth and continued economic imbalances in Estonia and Latvia together with higher past due payments on loans during the first nine months of 2008 have emphasised the need for a continued proactive treatment of any arising asset quality problems and for monitoring further developments closely. Also Lithuania is experiencing a downturn, although milder,

which has made SEB increase collective provisions.

The tight liquidity conditions in the credit and inter-bank markets prevailing since the summer of 2007 and which accelerated during the autumn of 2008, still put stable funding and liquidity management in focus. Liquidity injections by central banks globally have eased the pressure on banks but the funding markets are still not fully functioning, in particular as regards long-term durations.

The general credit spread widening across all assets which started mid-2007 has continued and accelerated in the third quarter. Wider spreads have resulted in mark-to-market losses on SEB's fixed-income securities portfolios (see under Fixed-income securities portfolios). Following the actions taken by governments and central banks around the world, the likelihood of achieving global financial stability has increased substantially, but further mark-to-market losses cannot be ruled out.

Organisational changes within SEB's German operations

SEB has decided to initiate an organisational change in its German operations. The purpose is to separate Retail Banking from Merchant Banking within the legal entity SEB AG. This will create flexibility and increase the opportunities of benefiting from the changing German banking market.

The organisational change is of an internal character and is deemed to have limited implications on daily operations and relations with customers, partners and other stakeholders. SEB Asset Management is not part of this organisational change.

Rating

In September, Moody's changed its outlook from positive to stable, but affirmed SEB's long-term Aa2 rating.

In October, Fitch Ratings affirmed its A+ rating for SEB with maintained stable outlook. Furthermore, Standard & Poor's affirmed its long-term A+ rating for SEB, but changed its outlook to negative primarily due to concerns regarding the Bank's Baltic operations.

Subsequent events

On 13 October 2008, IASB issued amendments to IAS 39 and IFRS 7, endorsed by the EU on 15 October. The amendments introduce the possibility of reclassifications of financial instruments from 1 July, 2008. SEB has not reclassified any financial instruments out of Held-for-Trading or Available-for-sale categories in this interim report. A thorough evaluation will be finalised in the fourth quarter. This may result in a restatement of the financial reporting for the third quarter.

Stockholm, 23 October 2008

Annika Falkengren

President and Chief Executive Officer

This Interim Report has been prepared in accordance with International Financial Reporting Standards IFRS/IAS, endorsed by the European Commission and therefore complies with IAS 34 Interim Financial Reporting. The Parent company accounts are prepared in accordance with the Annual Accounts Act for Financial Institutions. The accounting regulations of the Swedish Financial Supervisory Authority require some additional disclosures. The same accounting policies and methods of computation are followed in the interim financial statements as those applied to the most recent annual financial statements.

More detailed information is presented on www.sebgroup.com "Additional information" including:

| | |
|------------|--|
| Appendix 1 | Division Life |
| Appendix 2 | Credit exposure |
| Appendix 3 | Capital adequacy |
| Appendix 4 | Market risk |
| Appendix 5 | P&L by division, business area and quarter |
| Appendix 6 | P&L by geography and quarter |
| Appendix 7 | Skandinaviska Enskilda Banken (parent company) |

Access to telephone conference and video web cast

The telephone conference at 16.00 (CEST) on 23 October 2008 with CEO Annika Falkengren and CFO Jan Erik Back can be accessed by telephone, +44 (0) 20 7162 0025, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com.

A video web-cast with CFO Jan Erik Back will be available on www.sebgroup.com.

Further information is available from

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Review report

We have reviewed this report for the period 1 January 2008 to 30 September 2008 for Skandinaviska Enskilda Banken AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Act for Credit institutions and Securities Companies regarding the Group, and with the Swedish Annual Act for Credit institutions and Securities Companies, regarding the Parent Company.

Stockholm, 23 October 2008

PricewaterhouseCoopers AB

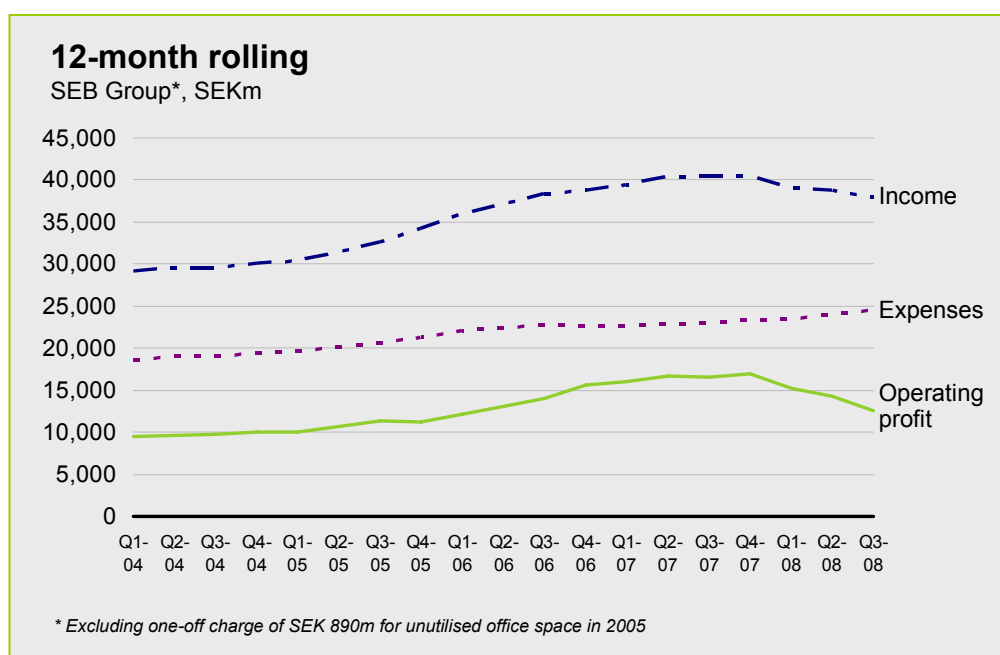
Peter Clemedtson
Authorised Public Accountant
Partner in charge

Peter Nyllinge
Authorised Public Accountant

The SEB Group

Income statement – SEB Group

| Condensed SEKm | Q3 | | | Q2 | | | Q3 | | | Jan - Sep | | | Full year 2007 |
|---|---------------|---------------|------------|---------------|------------|----------------|----------------|------------|----------------|-----------|---|--|-------------------|
| | 2008 | 2008 | % | 2007 | % | 2008 | 2007 | % | 2008 | 2007 | % | | |
| Net interest income | 4 553 | 4 421 | 3 | 3 917 | 16 | 13 197 | 11 623 | 14 | 15 998 | | | | |
| Net fee and commission income | 3 754 | 3 909 | -4 | 4 101 | -8 | 11 464 | 12 922 | -11 | 17 051 | | | | |
| Net financial income | -269 | 1 161 | -123 | 163 | | 731 | 2 819 | -74 | 3 239 | | | | |
| Net life insurance income | 504 | 642 | -21 | 782 | -36 | 1 859 | 2 167 | -14 | 2 933 | | | | |
| Net other income | 163 | 270 | -40 | 530 | -69 | 659 | 874 | -25 | 1 219 | | | | |
| Total operating income | 8 705 | 10 403 | -16 | 9 493 | -8 | 27 910 | 30 405 | -8 | 40 440 | | | | |
| Staff costs | -3 752 | -3 993 | -6 | -3 564 | 5 | -11 644 | -11 134 | 5 | -14 921 | | | | |
| Other expenses | -1 820 | -2 098 | -13 | -1 691 | 8 | -5 674 | -5 137 | 10 | -6 919 | | | | |
| Depreciation of assets | -398 | -354 | 12 | -325 | 22 | -1 124 | -995 | 13 | -1 354 | | | | |
| Total operating expenses | -5 970 | -6 445 | -7 | -5 580 | 7 | -18 442 | -17 266 | 7 | -23 194 | | | | |
| Gains less losses from tangible and intangible assets | | 1 | -100 | 2 | -100 | 4 | 1 | | 788 | | | | |
| Net credit losses incl. changes in value of seized assets | -725 | -452 | 60 | -189 | | -1 545 | -703 | 120 | -1 016 | | | | |
| Operating profit | 2 010 | 3 507 | -43 | 3 726 | -46 | 7 927 | 12 437 | -36 | 17 018 | | | | |
| Income tax expense | -497 | -699 | -29 | -625 | -20 | -1 758 | -2 552 | -31 | -3 376 | | | | |
| Net profit from continuing operations | 1 513 | 2 808 | -46 | 3 101 | -51 | 6 169 | 9 885 | -38 | 13 642 | | | | |
| Discontinued operations | 1 | 1 | | | | 2 | | | | | | | |
| Net profit | 1 514 | 2 809 | -46 | 3 101 | -51 | 6 171 | 9 885 | -38 | 13 642 | | | | |
| Attributable to minority interests | 4 | 3 | 33 | 7 | -43 | 8 | 19 | -58 | 24 | | | | |
| Attributable to equity holders * | 1 510 | 2 806 | -46 | 3 094 | -51 | 6 163 | 9 866 | -38 | 13 618 | | | | |
| * Basic earnings per share, SEK | 2.20 | 4.10 | | 4.59 | | 9.00 | 14.62 | | 19.97 | | | | |
| Diluted earnings per share, SEK | 2.20 | 4.09 | | 4.57 | | 8.99 | 14.54 | | 19.88 | | | | |



Key figures - SEB Group

| | Q3 2008 | Q2 2008 | Q3 2007 | Jan - Sep | | Full year |
|---|------------|------------|------------|-----------|--------|-----------|
| | | | | 2008 | 2007 | 2007 |
| Return on equity, % | 8.0 | 15.2 | 17.3 | 10.9 | 19.0 | 19.3 |
| Return on total assets, % | 0.26 | 0.48 | 0.57 | 0.35 | 0.63 | 0.63 |
| Return on risk-weighted assets, % | 0.67 | 1.33 | 1.49 | 0.95 | 1.64 | 1.68 |
| Basic earnings per share, SEK | 2.20 | 4.10 | 4.59 | 9.00 | 14.62 | 19.97 |
| Weighted average number of shares, millions* | 685 | 684 | 673 | 685 | 675 | 682 |
| Diluted earnings per share, SEK | 2.20 | 4.09 | 4.57 | 8.99 | 14.54 | 19.88 |
| Weighted average number of diluted shares, millions** | 686 | 686 | 677 | 686 | 679 | 685 |
| Net worth per share, SEK | 123.21 | 122.51 | 121.40 | 123.21 | 121.40 | 127.44 |
| Average equity, SEK billion | 75.1 | 73.8 | 71.3 | 75.2 | 69.3 | 70.6 |
| Cost/income ratio | 0.69 | 0.62 | 0.59 | 0.66 | 0.57 | 0.57 |
| Credit loss level, % | 0.27 | 0.17 | 0.08 | 0.19 | 0.10 | 0.11 |
| Reserve ratio for impaired loans, % | 72.1 | 71.5 | 78.5 | 72.1 | 78.5 | 76.1 |
| Level of impaired loans, % | 0.23 | 0.21 | 0.17 | 0.23 | 0.17 | 0.18 |
| Basel II:*** | | | | | | |
| Total capital ratio, incl net profit, % | 10.42 | 10.77 | 10.70 | 10.42 | 10.70 | 11.04 |
| Core capital ratio, incl net profit, % | 8.15 | 8.64 | 8.30 | 8.15 | 8.30 | 8.63 |
| Risk-weighted assets, SEK billion | 937 | 871 | 797 | 937 | 797 | 842 |
| Basel I: | | | | | | |
| Total capital ratio, incl net profit, % | 9.34 | 9.65 | 10.09 | 9.34 | 10.09 | 10.42 |
| Core capital ratio, incl net profit, % | 7.30 | 7.74 | 7.82 | 7.30 | 7.82 | 8.15 |
| Risk-weighted assets, SEK billion | 1 045 | 972 | 846 | 1 045 | 846 | 892 |
| Number of full time equivalents**** | 21 428 | 21 645 | 19 440 | 21 310 | 19 436 | 19 506 |
| Assets under custody, SEK billion | 4 437 | 4 728 | 5 461 | 4 437 | 5 514 | 5 314 |
| Assets under management, SEK billion | 1 244 | 1 295 | 1 385 | 1 244 | 1 385 | 1 370 |

* Issued number of shares was 687,156,631 at year-end 2007. SEB then owned 3.7 million Class A shares for the employee stock option programme. During 2008 1.4 million net of these shares have been sold as employee stock options have been exercised. Thus, as of 30 September SEB owned 2.3 million Class A-shares with a market value of SEK 237m.

** Calculated dilution based on the estimated economic value of the long-term incentive programmes.

*** 90 per cent of RWA in Basel I for 2008 and 95 per cent of RWA in Basel I for 2007.

**** Quarterly numbers are for last month of quarter. Accumulated numbers are average for the period.

Income statement on quarterly basis - SEB Group

| SEKm | 2008:3 | 2008:2 | 2008:1 | 2007:4 | 2007:3 |
|---|---------------|---------------|---------------|---------------|---------------|
| Net interest income | 4 553 | 4 421 | 4 223 | 4 375 | 3 917 |
| Net fee and commission income | 3 754 | 3 909 | 3 801 | 4 129 | 4 101 |
| Net financial income | - 269 | 1 161 | - 161 | 420 | 163 |
| Net life insurance income | 504 | 642 | 713 | 766 | 782 |
| Net other income | 163 | 270 | 226 | 345 | 530 |
| Total operating income | 8 705 | 10 403 | 8 802 | 10 035 | 9 493 |
| Staff costs | -3 752 | -3 993 | -3 899 | -3 787 | -3 564 |
| Other expenses | -1 820 | -2 098 | -1 756 | -1 782 | -1 691 |
| Depreciation of assets | - 398 | - 354 | - 372 | - 359 | - 325 |
| Total operating expenses | -5 970 | -6 445 | -6 027 | -5 928 | -5 580 |
| Gains less losses from tangible and intangible assets | | 1 | 3 | 787 | 2 |
| Net credit losses incl. changes in value of seized assets | - 725 | - 452 | - 368 | - 313 | - 189 |
| Operating profit | 2 010 | 3 507 | 2 410 | 4 581 | 3 726 |
| Income tax expense | - 497 | - 699 | - 562 | - 824 | - 625 |
| Net profit from continuing operations | 1 513 | 2 808 | 1 848 | 3 757 | 3 101 |
| Discontinued operations | 1 | 1 | | | |
| Net profit | 1 514 | 2 809 | 1 848 | 3 757 | 3 101 |
| Attributable to minority interests | 4 | 3 | 1 | 5 | 7 |
| Attributable to equity holders* | 1 510 | 2 806 | 1 847 | 3 752 | 3 094 |
| * Basic earnings per share, SEK | 2.20 | 4.10 | 2.70 | 5.49 | 4.59 |
| Diluted earnings per share, SEK | 2.20 | 4.09 | 2.69 | 5.48 | 4.57 |

Income statement, by Division - SEB Group

| Jan-Sep 2008, SEKm | Merchant Banking | Retail Banking | Wealth Management | Life* | Other incl eliminations | SEB Group |
|---|---------------------|-------------------|----------------------|---------------|----------------------------|----------------|
| Net interest income | 4 801 | 7 899 | 678 | - 32 | - 149 | 13 197 |
| Net fee and commission income | 4 085 | 4 233 | 2 562 | | 584 | 11 464 |
| Net financial income | 1 296 | 281 | 42 | | - 888 | 731 |
| Net life insurance income | | | | 2 557 | - 698 | 1 859 |
| Net other income | 199 | 134 | 38 | | 288 | 659 |
| Total operating income | 10 381 | 12 547 | 3 320 | 2 525 | - 863 | 27 910 |
| Staff costs | -2 936 | -3 470 | -1 080 | - 813 | -3 345 | -11 644 |
| Other expenses | -2 676 | -3 978 | - 807 | - 406 | 2 193 | -5 674 |
| Depreciation of assets | - 65 | - 229 | - 71 | - 454 | - 305 | -1 124 |
| Total operating expenses | -5 677 | -7 677 | -1 958 | -1 673 | -1 457 | -18 442 |
| Gains less losses from tangible and intangible assets | 4 | | | | | 4 |
| Net credit losses** | - 311 | -1 267 | - 2 | | 35 | -1 545 |
| Operating profit | 4 397 | 3 603 | 1 360 | 852 | -2 285 | 7 927 |

* Business result in Life amounted to SEK 1,461m (2,169), of which change in surplus values was net SEK 609m (842).

** Including change in value of seized assets.

Merchant Banking

Merchant Banking has two large business areas - Trading and Capital Markets and Global Transaction Services. The other business units, e.g. the CRM function, Commercial Real Estate, Corporate Finance and Structured Finance, are consolidated in Corporate Banking.

Profit and loss account

| SEK m | Q3 | | | Q2 | | Q3 | | Jan- Sep | | | Full year |
|--|----------------|----------------|-------------|----------------|------------|----------------|----------------|-------------|----------------|--|-----------|
| | 2008 | 2008 | % | 2007 | % | 2008 | 2007 | % | 2007 | | |
| Net interest income | 1 738 | 1 538 | 13 | 1 407 | 24 | 4 801 | 4 112 | 17 | 5 610 | | |
| Net fee and commission income | 1 374 | 1 470 | - 7 | 1 364 | 1 | 4 085 | 4 584 | - 11 | 5 945 | | |
| Net financial income | 241 | 936 | - 74 | 31 | | 1 296 | 2 364 | - 45 | 2 613 | | |
| Net other income | 83 | 72 | 15 | 411 | - 80 | 199 | 645 | - 69 | 839 | | |
| Total operating income | 3 436 | 4 016 | - 14 | 3 213 | 7 | 10 381 | 11 705 | - 11 | 15 007 | | |
| Staff costs | - 867 | - 1 105 | - 22 | - 921 | - 6 | - 2 936 | - 3 191 | - 8 | - 4 246 | | |
| Other expenses | - 830 | - 937 | - 11 | - 887 | - 6 | - 2 676 | - 2 621 | 2 | - 3 489 | | |
| Depreciation of assets | - 22 | - 21 | 5 | - 19 | 16 | - 65 | - 59 | 10 | - 85 | | |
| Total operating expenses | - 1 719 | - 2 063 | - 17 | - 1 827 | - 6 | - 5 677 | - 5 871 | - 3 | - 7 820 | | |
| Profit before credit losses etc | 1 717 | 1 953 | - 12 | 1 386 | 24 | 4 704 | 5 834 | - 19 | 7 187 | | |
| Gains less losses on assets | 1 | | | | | 4 | | | 2 | | |
| Net credit losses | - 255 | - 27 | | - 33 | | - 311 | - 257 | 21 | - 326 | | |
| Operating profit | 1 463 | 1 926 | - 24 | 1 353 | 8 | 4 397 | 5 577 | - 21 | 6 863 | | |
| Cost/Income ratio | 0.50 | 0.51 | | 0.57 | | 0.55 | 0.50 | | 0.52 | | |
| Business equity, SEK bn | 27.0 | 27.0 | | 26.4 | | 27.0 | 26.4 | | 26.4 | | |
| Return on equity, % | 15.6 | 20.5 | | 14.8 | | 15.6 | 20.3 | | 18.7 | | |
| Number of full time equivalents | 2 719 | 2 760 | | 2 550 | | 2 726 | 2 542 | | 2 566 | | |

- Continued strong earnings, despite market dislocations and seasonal effects
- Operating profit reduced by MTM valuation losses and credit provisions for exposure on Lehman Brothers
- Stable underlying costs, as efficiency gains continue to offset new investment costs

Comments on the first nine months

Merchant Banking's year-to-date results reflected high customer activity, offset by negative effects of the global financial market turmoil. Compared with the first nine months of 2007, operating income was 11 per cent lower, with earnings stabilising after the first quarter. Despite market dislocations, income in the third quarter was high, above SEK 3.4bn, and quarterly profits were in line with 2007. Mark-to-market losses on the division's fixed-income investment portfolio increased to SEK 1.3bn, with effects of SEK 348m in the third quarter as a result of the continued challenging situation in the global credit markets. Despite these headwinds, business activity remained strong and, on a comparable basis, held up well compared with the corresponding period of last year. At the same time, cost development was positive with costs SEK 344m lower than in the previous quarter and also lower year-on-year. Operating profit was negatively affected by higher credit losses, primarily due to a provision of SEK 137m for closing out of trading exposures on Lehman Brothers as well as a specific provision of SEK 72m within Corporate Banking Germany. Overall, however, asset quality remained good and stable.

Within Trading and Capital Markets, business units were impacted to different degrees by the financial market

turmoil. The Equities and FX businesses performed strongly, despite seasonal effects, compensating in part for weak results within fixed income-related areas. FX developed particularly strongly, reflecting growth in the division's overall customer base as well as previous investments in new products and advisory FX sales.

Profits increased within Corporate Banking. The increase in M&A and equity capital markets activity visible in late spring continued through the summer, although overall activity remained subdued compared with 2007. Net interest income grew reflecting high customer demand for financing, following sustained disruptions in the global bond and commercial paper markets. As a consequence, lending volume growth was most pronounced among clients with better risk classes. Despite higher funding costs, overall margins were stable. Transaction structures continued to improve.

Within Global Transaction Services, high volumes in payments and custody largely offset the negative effects from declining asset valuations. Assets under custody were SEK 4,437bn. SEB's leading position within cash management was recognised in the Euromoney 2008 Cash Management poll, ranking No. 1 globally for customer satisfaction.

Retail Banking

The Retail Banking division consists of six business areas - Sweden, Germany, Estonia, Latvia, Lithuania and Card.

Profit and loss account

| SEK m | Q3 | | | Q2 | | Q3 | | Jan- Sep | | | Full year 2007 |
|--|---------------|---------------|-----------|---------------|------------|---------------|---------------|------------|---------------|--|-------------------|
| | 2008 | 2008 | % | 2007 | % | 2008 | 2007 | % | | | |
| Net interest income | 2 755 | 2 593 | 6 | 2 444 | 13 | 7 899 | 7 149 | 10 | 9 698 | | |
| Net fee and commission income | 1 372 | 1 430 | -4 | 1 510 | -9 | 4 233 | 4 582 | -8 | 6 219 | | |
| Net financial income | 84 | 102 | -18 | 106 | -21 | 281 | 312 | -10 | 482 | | |
| Net other income | 26 | 85 | -69 | 38 | -32 | 134 | 95 | 41 | 159 | | |
| Total operating income | 4 237 | 4 210 | 1 | 4 098 | 3 | 12 547 | 12 138 | 3 | 16 558 | | |
| Staff costs | -1 148 | -1 168 | -2 | -1 087 | 6 | -3 470 | -3 150 | 10 | -4 235 | | |
| Other expenses | -1 326 | -1 348 | -2 | -1 253 | 6 | -3 978 | -3 872 | 3 | -5 286 | | |
| Depreciation of assets | -76 | -76 | | -78 | -3 | -229 | -240 | -5 | -318 | | |
| Total operating expenses | -2 550 | -2 592 | -2 | -2 418 | 5 | -7 677 | -7 262 | 6 | -9 839 | | |
| Profit before credit losses etc | 1 687 | 1 618 | 4 | 1 680 | 0 | 4 870 | 4 876 | 0 | 6 719 | | |
| Gains less losses on assets | | | | 2 | | | 2 | | 4 | | |
| Net credit losses | -516 | -440 | 17 | -146 | | -1 267 | -429 | 195 | -715 | | |
| Operating profit | 1 171 | 1 178 | -1 | 1 536 | -24 | 3 603 | 4 449 | -19 | 6 008 | | |
| Cost/Income ratio | 0.60 | 0.62 | | 0.59 | | 0.61 | 0.60 | | 0.59 | | |
| Business equity, SEK bn | 25.3 | 25.3 | | 24.8 | | 25.3 | 24.8 | | 24.8 | | |
| Return on equity, % | 14.0 | 14.2 | | 19.3 | | 14.5 | 18.6 | | 18.8 | | |
| Number of full time equivalents | 9 139 | 9 325 | | 8 807 | | 9 107 | 8 767 | | 8 802 | | |

- Result before losses was stable
- Growth in net interest income offset declining securities fees
- Continued provisioning for deteriorating Baltic outlook

Comments on the first nine months

Amid the financial crisis, net interest income continued to develop strongly and increased by 10 per cent compared with the corresponding period in 2007. Deposit and lending volumes increased throughout the period. Meanwhile, securities-related income was significantly negatively affected by reduced customer activity following the financial market turmoil. Profit before losses was stable compared with the first nine months of 2007. Credit losses increased, mainly due to higher provisions in Estonia, Latvia and Lithuania. Operating profit decreased by 19 per cent.

In Sweden, operating profit increased by 3 per cent compared with the first nine months of 2007, supported by net interest income growth of 14 per cent. Household mortgages were up by 11 per cent on a twelve-month basis; volume growth continued throughout the period although at a lower rate during the third quarter. Deposit volume grew by 8 per cent compared with the corresponding quarter of 2007 and by 1 per cent from the previous quarter. While financial market-sensitive fees such as brokerage income and equity-linked bond fees decreased, insurance sales continued at significantly higher levels than in 2007. The increased focus on the SME segment continued to yield result; more than 5,300 (2,800) new small and medium-sized corporate customers were gained. Costs

increased by 5 per cent, affected by higher pension costs.

Reflecting the deteriorating outlook for the Estonian and Latvian economies and the volume of loans overdue, credit provisions were increased. Also for Lithuania, provisions were increased, as loans overdue rose and the gradual domestic slowdown is expected to be affected by the global downturn.

SEB's cautious lending policy generated a quarterly credit growth of -1, 1 and 4 per cent in Estonia, Latvia and Lithuania, respectively. SEB's lending market shares in all three countries remained relatively stable. Costs in the third quarter were reduced compared with the previous quarter in Estonia and Latvia; in Lithuania they increased slightly. Several new customer offerings were successfully launched, particularly within long-term savings. In Estonia, a packaged solution covering private customers' daily needs attracted more than 30,000 customers, of whom half were new to the bank.

In Germany, profitability was still unsatisfactory. Sales of mortgages and insurance were higher, while securities-related income was negatively affected by the market turmoil.

Card continued to report strong underlying business growth; turnover during the first nine months increased by 7 per cent.

Wealth Management

This division has two business areas - Institutional Clients and Private Banking.

Profit and loss account

| SEK m | Q3 | | | Q2 | | Q3 | | Jan- Sep | | | Full year |
|--|--------------|--------------|------------|--------------|-------------|---------------|---------------|-------------|---------------|--|-----------|
| | 2008 | 2008 | % | 2007 | % | 2008 | 2007 | % | 2007 | | |
| Net interest income | 237 | 199 | 19 | 214 | 11 | 678 | 598 | 13 | 843 | | |
| Net fee and commission income | 784 | 820 | -4 | 988 | -21 | 2 562 | 3 098 | -17 | 4 077 | | |
| Net financial income | 14 | 8 | 75 | 3 | | 42 | 33 | 27 | 79 | | |
| Net other income | 3 | 26 | -88 | 13 | -77 | 38 | 46 | -17 | 86 | | |
| Total operating income | 1 038 | 1 053 | - 1 | 1 218 | - 15 | 3 320 | 3 775 | - 12 | 5 085 | | |
| Staff costs | - 330 | - 367 | -10 | - 325 | 2 | -1 080 | - 985 | 10 | -1 340 | | |
| Other expenses | - 249 | - 270 | -8 | - 255 | -2 | - 807 | - 751 | 7 | -1 040 | | |
| Depreciation of assets | - 25 | - 22 | 14 | - 12 | 108 | - 71 | - 46 | 54 | - 60 | | |
| Total operating expenses | - 604 | - 659 | - 8 | - 592 | 2 | -1 958 | -1 782 | 10 | -2 440 | | |
| Profit before credit losses etc | 434 | 394 | 10 | 626 | - 31 | 1 362 | 1 993 | - 32 | 2 645 | | |
| Gains less losses on assets | | | | | | | - 1 | -100 | - 1 | | |
| Net credit losses | | 23 | -100 | - 8 | -100 | - 2 | - 17 | -88 | - 7 | | |
| Operating profit | 434 | 417 | 4 | 618 | - 30 | 1 360 | 1 975 | - 31 | 2 637 | | |
| Cost/Income ratio | 0.58 | 0.63 | | 0.49 | | 0.59 | 0.47 | | 0.48 | | |
| Business equity, SEK bn | 6.6 | 6.6 | | 5.5 | | 6.6 | 5.5 | | 5.5 | | |
| Return on equity, % | 18.9 | 18.2 | | 32.4 | | 19.8 | 34.5 | | 34.5 | | |
| Number of full time equivalents | 1 123 | 1 143 | | 1 064 | | 1 145 | 1 074 | | 1 074 | | |

- Strong net sales within both Private Banking and Institutional Clients
- Continued gain of market share in the Swedish mutual fund market
- Operating profit down by 31 per cent mainly due to lower performance fees and asset values

Comments on the first nine months

Operating income for the first nine months dropped by 12 per cent compared with last year. Net sales and increased net interest income somewhat balanced lower net fee and commission income, due to falling asset values and lower customer activity. Performance fees amounted to SEK 249m (450).

Operating expenses during the period increased by 10 per cent, of which 7 per cent related to the acquisition of Key Asset Management and pension costs. Underlying costs increased by 3 per cent due to the expansion of Private Banking and Institutional Sales, alternative investment product development and investments in future efficiency projects, e.g. SEB Way. Costs for the third quarter compared with the second quarter declined by 8 per cent. Operating profit decreased by 31 per cent, to SEK 1,360m during the first nine months.

SEB continued to capture volumes on the Swedish mutual fund market. Total net inflows amounted to SEK 6bn (11) during the period on a market experiencing total net flows of SEK -31bn (8). Alternative investments alone attracted net inflows totalling SEK 8.5bn (3.8). During the

third quarter investment appetite shifted from Equities to Fixed Income and Alternative investments.

Net new assets during the period were substantial, considering the market, and amounted to SEK 33bn (46). This partly offset the impact of declining equity markets on assets under management, which decreased by 8 per cent to SEK 1,181bn, from year-end.

Investment performance deteriorated during the last part of the third quarter. Year-to-date performance remained unsatisfactory, with 30 per cent (48) of the portfolios and 34 per cent (68) of assets under management ahead of their respective benchmarks.

Private Banking generated net new assets of SEK 16bn (9.5) despite the adverse market conditions. This success was due to very high activity and close co-operation with the Retail Banking division.

Institutional Clients' third quarter was strong in terms of net sales in Sweden and the Baltic countries. Several new products within the alternative segment were introduced during the period.

Life

Life consists of three business areas - SEB Trygg Liv (Sweden), SEB Pension (Denmark) and SEB Life & Pension International.

Profit and loss account

| SEK m | Q3 | | | Q2 | | | Q3 | | | Jan- Sep | | | Full year |
|---------------------------------|--------------|--------------|-------------|--------------|-------------|----------------|----------------|-------------|----------------|----------|------|--|-----------|
| | 2008 | 2008 | % | 2007 | % | 2007 | % | 2008 | 2007 | % | 2007 | | |
| Net interest income | - 3 | - 13 | - 77 | - 6 | - 50 | - 32 | - 21 | 52 | - 28 | | | | |
| Net life insurance income | 720 | 883 | - 18 | 1 039 | - 31 | 2 557 | 2 927 | - 13 | 3 958 | | | | |
| Total operating income | 717 | 870 | - 18 | 1 033 | - 31 | 2 525 | 2 906 | - 13 | 3 930 | | | | |
| Staff costs | - 266 | - 285 | - 7 | - 249 | 7 | - 813 | - 766 | 6 | - 1 050 | | | | |
| Other expenses | - 126 | - 132 | - 5 | - 149 | - 15 | - 406 | - 409 | - 1 | - 530 | | | | |
| Depreciation of assets | - 149 | - 145 | 3 | - 134 | 11 | - 454 | - 404 | 12 | - 548 | | | | |
| Total operating expenses | - 541 | - 562 | - 4 | - 532 | 2 | - 1 673 | - 1 579 | 6 | - 2 128 | | | | |
| Operating profit | 176 | 308 | - 43 | 501 | - 65 | 852 | 1 327 | - 36 | 1 802 | | | | |
| Change in surplus values, net | 132 | 227 | - 42 | 275 | - 52 | 609 | 842 | - 28 | 1 273 | | | | |
| Business result | 308 | 535 | - 42 | 776 | - 60 | 1 461 | 2 169 | - 33 | 3 075 | | | | |
| Cost/Income ratio | 0.75 | 0.65 | | 0.52 | | 0.66 | 0.54 | | 0.54 | | | | |
| Business equity, SEK bn | 7.5 | 7.5 | | 7.5 | | 7.5 | 7.5 | | 7.5 | | | | |
| Return on equity, % | | | | | | | | | | | | | |
| based on operating profit | 8.3 | 14.5 | | 23.5 | | 13.3 | 20.8 | | 21.1 | | | | |
| based on business result | 14.5 | 25.1 | | 36.4 | | 22.9 | 33.9 | | 36.1 | | | | |
| Number of full time equivalents | 1 250 | 1 235 | | 1 199 | | 1 232 | 1 197 | | 1 201 | | | | |

- Positive sales development despite increasingly competitive markets and financial unrest
- Lower operating profit, mainly due to adverse equity and interest rate development
- Increased costs reflected investments in new markets and higher sales

Comments on the first nine months

Operating profit for the first nine months decreased by 36 per cent compared with last year. Unit-linked income was adversely affected by the decrease in equity values and increasing cautiousness with respect to equity exposure among customers. Also the traditional insurance portfolios in Denmark and Sweden have been negatively impacted by the deteriorating value of equities and fixed income investments in combination with rising insurance liabilities as a result of a decline in long-term interest rates during the third quarter. The market value-related effects mainly represented unrealised losses, recoverable in a more normal market or, in the case of bonds, if held to maturity. The results for risk products such as sickness insurance and care products were well above last year.

A provision of SEK 135m, of which SEK 61m in the third quarter, has been made to cover potential future guarantees related to the traditional life portfolio transferred from Nya Liv in 2007. The provision is market value-related and recoverable, if future investment returns are adequate to meet guaranteed bonus levels over time.

Operating expenses increased due to higher sales and investments in new markets. The number of staff has been stable during the past year, except for additions in the Baltic countries and Ukraine.

Unit-linked insurance continues to be the most

important product group, representing 76 per cent (80) of total sales. The share of corporate pension decreased to 69 per cent (74) as a result of strong growth in the demand for Portfolio Bond and endowment policies in Sweden.

Total sales, weighted volume, rose by 11 per cent compared with last year. The share of regular premium contracts remained stable around 80 per cent. Price pressure continues to be an issue in the corporate markets in Sweden and Denmark. As a result, the sales margin for the past twelve months dropped to 19.3 per cent compared with 23.7 per cent for the full year 2007.

In Sweden, both sales and premium income increased by 7 per cent. In Denmark, sales rose by 6 per cent while premium income increased by 10 per cent. Sales in the Baltic countries were 11 per cent lower than last year, while sales of the Portfolio Bond product in Sweden through SEB Life & Pension International more than doubled.

Total premium income increased by 14 per cent, to SEK 21.2bn compared with SEK 18.6bn at the end of the third quarter last year. The total value of unit-linked funds decreased by 11 per cent to SEK 121bn compared with SEK 136bn at year-end 2007. Total assets under management (net assets) decreased by 11 per cent from year-end, to SEK 364bn.

Result by geography – January-September 2008

SEB offers universal banking services in Sweden, Germany and the Baltic countries - Estonia, Latvia and Lithuania. It also has a local presence in the other Nordic countries, Poland, Ukraine and Russia and a global presence through its international network in another 10 countries.

- 50 per cent of operating profit was generated outside Sweden
- Credit market turbulence affected income in most markets

Comments on the first nine months

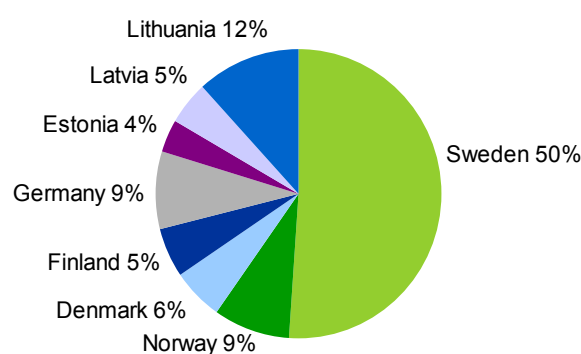
The dislocation of the credit markets deepened during the third quarter. The financial turmoil and the liquidity squeeze triggered a further decline in global equity markets and led to an overall weakened business sentiment. This development has negatively affected SEB's operations in most markets albeit a robust underlying business.

In Sweden, net interest income increased due to continued volume growth, while margins were relatively stable. However, this could not compensate for lower commission income due to the weakened equity markets and drop in net financial income following falling market valuations of the fixed-income securities portfolios. Total expenses rose, partly as a result of investments in One IT Roadmap and increased costs for pension accounting.

In Denmark and Norway, SEB's corporate banking business developed well. In both countries, however, lower activities within investment banking led to decreased income compared with last year. SEB's life insurance business in Denmark was negatively affected by lower values. In Finland, Merchant Banking continued to report strong growth both for business volumes and operating profit. Wealth Management performed well in relative terms.

In the Baltic region, business continued to grow in Lithuania, while SEB's income development was flat in Estonia and Latvia. The results in Estonia, Latvia and Lithuania were negatively affected by increased provisions for credit losses, mainly in the form of collective provisions. In all three countries expenses rose due to high inflation rates and increased costs for premises following the property sales at the end of last year.

Operating profit per country, Jan-Sep 2008



In Germany, Merchant Banking performed well in spite of difficult conditions. Commercial Real Estate was able to increase commission income. Within Retail Banking, sales of consumer lending, mortgages and insurance increased, while securities-related income was negatively affected by the market turmoil. Asset Management reported net inflow of funds. Treasury's performance was impacted by losses on bonds issued by Lehman Brothers. Net credit losses in Germany were lower than in 2007.

Volumes in new markets, i.e. Ukraine and Russia, continued to increase. The integration of the recently acquired Factorial Bank in Ukraine proceeded according to plan. Six new branches were opened during the third quarter.

| Distribution by country Jan - Sep | Total operating income | | | Total operating expenses | | | Operating profit | | |
|-----------------------------------|------------------------|---------------|-----------|--------------------------|----------------|----------|------------------|---------------|------------|
| | 2008 | 2007 | % | 2008 | 2007 | % | 2008 | 2007 | % |
| Sweden | 14 574 | 14 813 | -2 | -10 303 | -8 953 | 15 | 4 052 | 5 702 | -29 |
| Norway | 1 913 | 2 165 | -12 | -1 063 | -1 079 | -1 | 690 | 997 | -31 |
| Denmark | 1 617 | 2 124 | -24 | -1 073 | -1 150 | -7 | 467 | 958 | -51 |
| Finland | 932 | 825 | 13 | -489 | -433 | 13 | 435 | 385 | 13 |
| Germany | 4 416 | 4 630 | -5 | -3 551 | -3 519 | 1 | 688 | 893 | -23 |
| Estonia | 1 231 | 1 233 | 0 | -523 | -475 | 10 | 279 | 697 | -60 |
| Latvia | 1 191 | 1 179 | 1 | -534 | -432 | 24 | 400 | 682 | -41 |
| Lithuania | 1 889 | 1 710 | 10 | -764 | -612 | 25 | 933 | 1 012 | -8 |
| Other countries and eliminations | 147 | 1 726 | -91 | -142 | -613 | -77 | -17 | 1 111 | -102 |
| Total | 27 910 | 30 405 | -8 | -18 442 | -17 266 | 7 | 7 927 | 12 437 | -36 |

The SEB Group

Net fee and commission income – SEB Group

| SEKm | Q3 | | | Q2 | | | Q3 | | | Jan - Sep | | | Full year |
|--------------------------------------|---------------|---------------|------------|---------------|------------|---------------|---------------|------------|------|-----------|---|---------------|-----------|
| | 2008 | 2008 | % | 2007 | % | 2008 | 2007 | % | 2008 | 2007 | % | 2007 | |
| Issue of securities | 47 | 91 | -48 | 45 | 4 | 145 | 274 | -47 | | | | 335 | |
| Secondary market shares | 635 | 899 | -29 | 779 | -18 | 2 211 | 2 442 | -9 | | | | 3 153 | |
| Secondary market other | 19 | 14 | 36 | 107 | -82 | 114 | 450 | -75 | | | | 598 | |
| Custody and mutual funds | 1 623 | 1 664 | -2 | 1 787 | -9 | 5 091 | 5 402 | -6 | | | | 7 165 | |
| Securities commissions | 2 324 | 2 668 | -13 | 2 718 | -14 | 7 561 | 8 568 | -12 | | | | 11 251 | |
| Payments | 447 | 464 | -4 | 440 | 2 | 1 350 | 1 345 | 0 | | | | 1 808 | |
| Card fees | 1 066 | 1 108 | -4 | 1 010 | 6 | 3 206 | 3 006 | 7 | | | | 4 093 | |
| Payment commissions | 1 513 | 1 572 | -4 | 1 450 | 4 | 4 556 | 4 351 | 5 | | | | 5 901 | |
| Advisory | 329 | 173 | 90 | 321 | 2 | 791 | 1 157 | -32 | | | | 1 473 | |
| Lending | 258 | 270 | -4 | 204 | 26 | 713 | 761 | -6 | | | | 1 055 | |
| Deposits | 25 | 24 | 4 | 22 | 14 | 72 | 66 | 9 | | | | 89 | |
| Guarantees | 78 | 71 | 10 | 68 | 15 | 216 | 198 | 9 | | | | 264 | |
| Derivatives | 175 | 116 | 51 | 94 | 86 | 404 | 271 | 49 | | | | 363 | |
| Other | 168 | 180 | -7 | 275 | -39 | 524 | 769 | -32 | | | | 1 004 | |
| Other commissions | 1 033 | 834 | 24 | 984 | 5 | 2 720 | 3 222 | -16 | | | | 4 248 | |
| Fee and commission income | 4 870 | 5 074 | -4 | 5 152 | -5 | 14 837 | 16 141 | -8 | | | | 21 400 | |
| Securities commissions | -226 | -275 | -18 | -208 | 9 | -742 | -707 | 5 | | | | -902 | |
| Payment commissions | -593 | -631 | -6 | -576 | 3 | -1 809 | -1 754 | 3 | | | | -2 373 | |
| Other commissions | -297 | -259 | 15 | -267 | 11 | -822 | -758 | 8 | | | | -1 074 | |
| Fee and commission expense | -1 116 | -1 165 | -4 | -1 051 | 6 | -3 373 | -3 219 | 5 | | | | -4 349 | |
| Securities commissions, net | 2 098 | 2 393 | -12 | 2 510 | -16 | 6 819 | 7 861 | -13 | | | | 10 349 | |
| Payment commissions, net | 920 | 941 | -2 | 874 | 5 | 2 747 | 2 597 | 6 | | | | 3 528 | |
| Other commissions, net | 736 | 575 | 28 | 717 | 3 | 1 898 | 2 464 | -23 | | | | 3 174 | |
| Net fee and commission income | 3 754 | 3 909 | -4 | 4 101 | -8 | 11 464 | 12 922 | -11 | | | | 17 051 | |

Net financial income – SEB Group

| SEKm | Q3 | | | Q2 | | | Q3 | | | Jan - Sep | | | Full year |
|--|-------------|--------------|-------------|-------------|------------|---------------|--------------|------------|------|-----------|---|--------------|-----------|
| | 2008 | 2008 | % | 2007 | % | 2008 | 2007 | % | 2008 | 2007 | % | 2007 | |
| Equity instruments and related derivatives | 489 | 306 | 60 | 90 | | 966 | 363 | 166 | | | | 520 | |
| Debt instruments and related derivatives | -1 019 | 108 | | -782 | 30 | -2 075 | 376 | | | | | -101 | |
| Capital market related | -530 | 414 | | -692 | -23 | -1 109 | 739 | | | | | 419 | |
| Currency-related | 270 | 747 | -64 | 855 | -68 | 1 849 | 2 080 | -11 | | | | 2 820 | |
| Other financial instruments | -9 | | | | | -9 | | | | | | | |
| Net financial income | -269 | 1 161 | -123 | 163 | | 731 | 2 819 | -74 | | | | 3 239 | |

Net credit losses - Group

| SEKm | Q3 | | | Q2 | | Q3 | | | Jan - Sep | | | Full year |
|---|--------------|--------------|------------|--------------|----------|----------------|--------------|------------|----------------|------|---|-----------|
| | 2008 | 2008 | % | 2007 | % | 2008 | 2007 | % | 2008 | 2007 | % | |
| <i>Provisions:</i> | | | | | | | | | | | | |
| Net collective provisions | - 318 | 11 | | - 71 | | - 419 | - 405 | 3 | - 390 | | | |
| Specific provisions | - 331 | - 409 | -19 | - 100 | | - 930 | - 422 | 120 | - 653 | | | |
| Reversal of specific provisions no longer required | 71 | 79 | -10 | 80 | -11 | 194 | 242 | -20 | 405 | | | |
| Net provisions for contingent liabilities | - 23 | 2 | | 8 | | - 20 | 32 | -163 | 8 | | | |
| Net provisions | - 601 | - 317 | 90 | - 83 | | - 1 175 | - 553 | 112 | - 630 | | | |
| <i>Write-offs:</i> | | | | | | | | | | | | |
| Total write-offs | - 265 | - 367 | -28 | - 350 | -24 | - 964 | - 833 | 16 | - 1 395 | | | |
| Reversal of specific provisions utilized for write-offs | 71 | 217 | -67 | 214 | -67 | 489 | 469 | 4 | 711 | | | |
| Write-offs not previously provided for | - 194 | - 150 | 29 | - 136 | 43 | - 475 | - 364 | 30 | - 684 | | | |
| Recovered from previous write-offs | 79 | 19 | | 30 | 163 | 122 | 208 | -41 | 293 | | | |
| Net write-offs | - 115 | - 131 | -12 | - 106 | 8 | - 353 | - 156 | 126 | - 391 | | | |
| Net credit losses | - 716 | - 448 | 60 | - 189 | | - 1 528 | - 709 | 116 | - 1 021 | | | |
| Change in value of seized assets | - 9 | - 4 | 125 | | | - 17 | 6 | | 5 | | | |
| Net credit losses incl change in value | - 725 | - 452 | 60 | - 189 | | - 1 545 | - 703 | 120 | - 1 016 | | | |

Balance sheet – SEB Group

| Condensed SEKm | 30 September 2008 | 31 December 2007 | 30 September 2007 |
|---|------------------------------|-----------------------------|------------------------------|
| Cash and cash balances with central banks | 18 733 | 96 871 | 16 402 |
| Loans to credit institutions | 221 403 | 263 012 | 242 706 |
| Loans to the public | 1 204 713 | 1 067 341 | 1 021 498 |
| Financial assets at fair value * | 633 099 | 661 223 | 661 314 |
| Available-for-sale financial assets * | 257 634 | 170 137 | 133 608 |
| Held-to-maturity investments * | 2 067 | 1 798 | 2 089 |
| Investments in associates | 1 387 | 1 257 | 1 180 |
| Tangible and intangible assets | 27 163 | 24 697 | 22 994 |
| Other assets | 50 154 | 58 126 | 46 864 |
| Total assets | 2 416 353 | 2 344 462 | 2 148 655 |
| Deposits by credit institutions | 399 940 | 421 348 | 360 609 |
| Deposits and borrowing from the public | 794 266 | 750 481 | 706 623 |
| Liabilities to policyholders | 206 473 | 225 916 | 217 516 |
| Debt securities | 554 257 | 510 564 | 465 381 |
| Financial liabilities at fair value | 248 142 | 216 390 | 209 380 |
| Other liabilities | 90 357 | 97 519 | 75 966 |
| Provisions | 1 378 | 1 536 | 1 590 |
| Subordinated liabilities | 45 736 | 43 989 | 38 631 |
| Total equity | 75 804 | 76 719 | 72 959 |
| Total liabilities and equity | 2 416 353 | 2 344 462 | 2 148 655 |
| * Of which bonds and other interest bearing securities inclusive derivatives. | 668 114 | 608 016 | 573 741 |

Memorandum items – SEB Group

| SEKm | 30 September 2008 | 31 December 2007 | 30 September 2007 |
|--|------------------------------|-----------------------------|------------------------------|
| Collateral and comparable security pledged for own liabilities | 342 560 | 308 342 | 314 832 |
| Other pledged assets and comparable collateral | 181 661 | 207 363 | 193 146 |
| Contingent liabilities | 81 277 | 66 984 | 61 458 |
| Commitments | 444 541 | 394 128 | 372 453 |

Statement of changes in equity – SEB Group

| SEKm | Minority interests | Reserve for cash flow hedges | Reserve for financial assets | Share capital | Restricted reserves | Retained earnings | Total |
|--|--------------------|------------------------------|------------------------------|---------------|---------------------|-------------------|---------------|
| Jan-Sep 2008 | | | | | | | |
| Opening balance | 191 | 160 | - 438 | 6 872 | 29 757 | 40 177 | 76 719 |
| Change in market value | | - 73 | -3 202 | | | | -3 275 |
| Recognised in income statement | | 4 | - 72 | | | | - 68 |
| Translation difference | | | | | - 90 | | - 90 |
| Net income recognised directly in equity | | - 69 | -3 274 | | - 90 | | -3 433 |
| Net profit | 8 | | | | | 6 163 | 6 171 |
| Total recognised income | 8 | - 69 | -3 274 | | - 90 | 6 163 | 2 738 |
| Dividend to shareholders | | | | | | -4 466 | -4 466 |
| Dividend, own holdings of shares | | | | | | 15 | 15 |
| Neutralisation of PL impact and utilisation of employee stock options* | | | | | | 144 | 144 |
| Eliminations of repurchased shares for employee stock option programme** | | | | | | 182 | 182 |
| Other changes | - 16 | | | | 71 | 417 | 472 |
| Closing balance | 183 | 91 | -3 712 | 6 872 | 29 738 | 42 632 | 75 804 |
| Jan-Dec 2007 | | | | | | | |
| Opening balance | 130 | 380 | 392 | 6 872 | 30 203 | 29 290 | 67 267 |
| Change in market value | | - 206 | - 614 | | | | - 820 |
| Recognised in income statement | | - 14 | - 216 | | | | - 230 |
| Translation difference | | | | | 98 | | 98 |
| Net income recognised directly in equity | | - 220 | - 830 | | 98 | | - 952 |
| Net profit | 24 | | | | | 13 618 | 13 642 |
| Total recognised income | 24 | - 220 | - 830 | | 98 | 13 618 | 12 690 |
| Dividend to shareholders | | | | | | -4 123 | -4 123 |
| Dividend, own holdings of shares | | | | | | 44 | 44 |
| Neutralisation of PL impact and utilisation of employee stock options* | | | | | | - 428 | - 428 |
| Eliminations of repurchased shares for employee stock option programme** | | | | | | 897 | 897 |
| Other changes | 37 | | | | - 544 | 879 | 372 |
| Closing balance | 191 | 160 | - 438 | 6 872 | 29 757 | 40 177 | 76 719 |
| Jan-Sep 2007 | | | | | | | |
| Opening balance | 130 | 380 | 392 | 6 872 | 30 203 | 29 290 | 67 267 |
| Change in market value | | - 134 | - 451 | | | | - 585 |
| Recognised in income statement | | | - 3 | | | | - 3 |
| Translation difference | | | | | - 3 | | - 3 |
| Net income recognised directly in equity | | - 134 | - 454 | | - 3 | | - 591 |
| Net profit | 19 | | | | | 9 866 | 9 885 |
| Total recognised income | 19 | - 134 | - 454 | | - 3 | 9 866 | 9 294 |
| Dividend to shareholders | | | | | | -4 123 | -4 123 |
| Dividend, own holdings of shares | | | | | | 44 | 44 |
| Neutralisation of PL impact and utilisation of employee stock options* | | | | | | - 457 | - 457 |
| Eliminations of repurchased shares for employee stock option programme** | | | | | | 864 | 864 |
| Other changes | 10 | | | | 688 | - 628 | 70 |
| Closing balance | 159 | 246 | - 62 | 6 872 | 30 888 | 34 856 | 72 959 |

* Includes changes in nominal amounts of equity swaps used for hedging of stock option programmes.

** As of 31 December 2007 SEB owned 3.7 million Class A shares for the employee stock option programme. The acquisition cost for these shares is deducted from shareholders' equity. During 2008 1.4 million net of these shares have been sold as employee stock options have been exercised. Thus, as of 30 September SEB owned 2.3 million Class A-shares with a market value of SEK 237m for hedging of the long-term incentive programmes.

Cash flow statement – SEB Group

| SEKm | Jan - Sep | | | Full year 2007 |
|---|----------------|----------------|------------|-------------------|
| | 2008 | 2007 | % | |
| Cash flow from the profit and loss statement | 5 484 | 10 817 | -49 | 17 476 |
| Increase (-)/decrease (+) in portfolios | -45 077 | -13 654 | | -32 503 |
| Increase (+)/decrease (-) in issued short term securities | 43 739 | 55 917 | -22 | 72 454 |
| Increase (-)/decrease (+) in lending to credit institutions | 41 743 | 4 606 | | -45 995 |
| Increase (-)/decrease (+) in lending to the public | -135 465 | -75 770 | 79 | -116 298 |
| Increase (+)/decrease (-) in liabilities to credit institutions | -20 964 | -5 371 | | 52 274 |
| Increase (+)/decrease (-) in deposits and borrowings from the public | 37 296 | 64 865 | -43 | 104 715 |
| Increase (-)/decrease (+) in net investment contracts in insurance business | -312 | 13 905 | -102 | 22 302 |
| Change in other balance sheet items | 3 180 | 7 050 | -55 | 10 348 |
| Cash flow from operating activities | -70 376 | 62 365 | | 84 773 |
| Cash flow from investment activities ¹⁾ | -5 603 | -1 167 | | -2 350 |
| Cash flow from financing activities | -3 146 | 11 746 | -127 | 38 397 |
| Net increase in cash and cash equivalents | -79 125 | 72 944 | | 120 820 |
| Cash and cash equivalents at beginning of year | 194 985 | 73 751 | 164 | 73 751 |
| Exchange difference in cash and cash equivalents | 6 584 | 151 | | 414 |
| Net increase in cash and cash equivalents | -79 125 | 72 944 | | 120 820 |
| Cash and cash equivalents at end of period²⁾ | 122 444 | 146 846 | -17 | 194 985 |
| 1) Including investments in subsidiaries | | | | |
| Cost of acquisitions | | -1 040 | | - 759 |
| Less cash acquired | | | | 102 |
| Outflow on acquisition | | -1 040 | | - 657 |

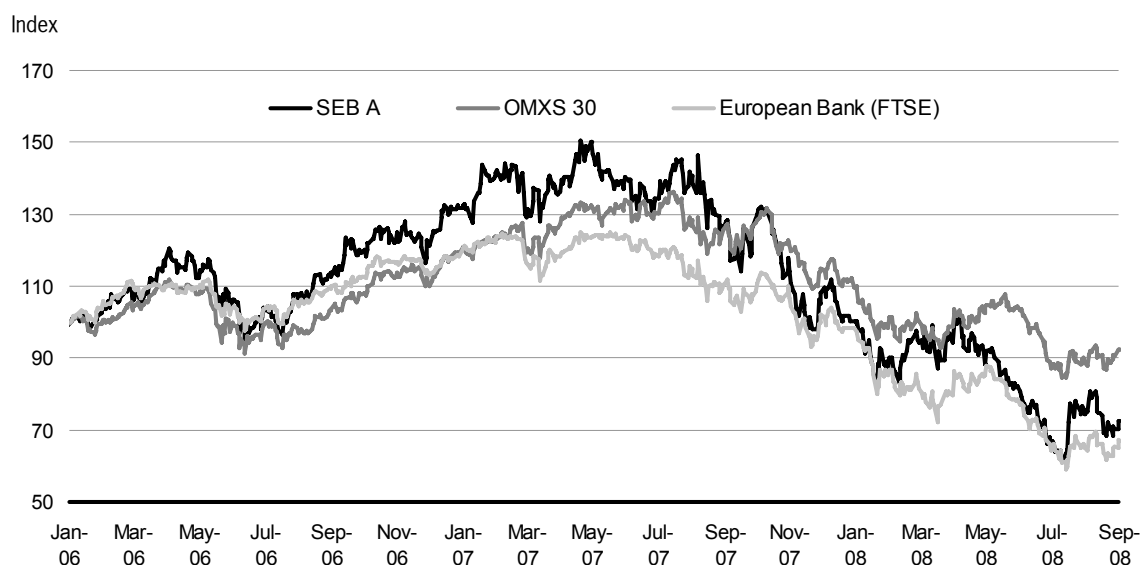
2) Cash and cash equivalents at end of period is defined as Cash and cash balances with central banks and Loans to credit institutions - payable on demand.

Impaired loans and seized assets – SEB Group

| SEKm | 30 September 2008 | 31 December 2007 | 30 September 2007 |
|--|----------------------|---------------------|----------------------|
| Non-performing impaired loans | 9 146 | 7 619 | 7 468 |
| Performing impaired loans | 852 | 772 | 784 |
| Impaired loans gross* | 9 998 | 8 391 | 8 252 |
| Specific reserves | -4 139 | -3 787 | -3 905 |
| <i>of which reserves for non-performing loans</i> | -3 660 | -3 456 | -3 667 |
| <i>of which reserves for performing loans</i> | - 479 | - 331 | - 238 |
| Collective reserves | -3 072 | -2 602 | -2 577 |
| Impaired loans net | 2 787 | 2 002 | 1 770 |
| Reserves for off-balance sheet items | - 200 | - 209 | - 179 |
| Total reserves | -7 411 | -6 598 | -6 661 |
| Level of impaired loans | 0.23% | 0.18% | 0.17% |
| (Impaired loans, net in relation to lending, at end of period) | | | |
| Reserve ratio for impaired loans | 72.1% | 76.1% | 78.5% |
| (Specific and collective reserves in relation to impaired loans gross, per cent) | | | |
| <i>Specific reserve ratio for impaired loans</i> | 41.4% | 45.1% | 47.3% |
| Pledges taken over | | | |
| Properties | 33 | 23 | 87 |
| Shares | 51 | 39 | 40 |
| Total volume of pledges taken over | 84 | 62 | 127 |

* Individually impaired loans.

The SEB share



Rating

| Moody's Outlook Stable (September 2008) | | Standard & Poor's Outlook Negative (October 2008) | | Fitch Outlook Stable (July 2008) | | DBRS Outlook Stable (July 2008) | |
|---|------------|---|-----------|--|-----------|---------------------------------------|-----------------|
| Short | Long | Short | Long | Short | Long | Short | Long |
| P-1 | Aaa | A-1+ | AAA | F1+ | AAA | R-1 (high) | AAA |
| P-2 | Aa1 | A-1 | AA+ | F1 | AA+ | R-1 (middle) | AA (high) |
| P-3 | Aa2 | A-2 | AA | F2 | AA | R-1 (low) | AA |
| | Aa3 | A-3 | AA- | F3 | AA- | R-2 (high) | AA (low) |
| | A1 | | A+ | | A+ | R-2 (middle) | A |
| | A2 | | A | | A | R-2 (low) | BBB |
| | A3 | | A- | | A- | R-3 | BB |
| | Baa1 | | BBB+ | | BBB+ | R-4 | B |
| | Baa2 | | BBB | | BBB | R-5 | CCC CC C |
| | Baa3 | | BBB- | | BBB- | D | D |

SEB's major shareholders

| September 2008 | Share of capital, per cent |
|------------------------|-------------------------------|
| Investor AB | 20.7 |
| Trygg-foundation | 9.6 |
| Alecta | 5.2 |
| Swedbank Robur Funds | 3.4 |
| AFA Försäkring | 2.7 |
| SHB/SPP Funds | 1.9 |
| AMF Pension | 1.6 |
| SEB Funds | 1.6 |
| Wallenberg-foundations | 1.5 |
| Foreign shareholders | 18.3 |

Source: NCSD/SIS Ägarservice