SEB SUMMARISES AN EVENTFUL YEAR:

New services and many customer campaigns

Scania:  “SEB sticks with us through thick and thin”

SEB’s operating profit:  An increase by 9 per cent to SEK 17 billion

SEB Way:  “For a continuous improvement of the daily operations”
SEB in brief

SEB is a North European financial group serving 400,000 corporate customers and institutions and more than five million private individuals. Its activities comprise mainly banking services, but SEB also carries out significant life insurance activities. In Sweden, Estonia, Latvia, Lithuania and Germany, SEB offers universal banking services. It also has operations in the other Nordic countries, Poland, Russia and Ukraine as well as strategic presence in ten countries around the world. More than half of SEB’s approximately 20,000 employees are located outside Sweden.

Key figures

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity, %</td>
<td>19.3</td>
<td>20.8</td>
</tr>
<tr>
<td>Basic earnings per share, SEK</td>
<td>19.97</td>
<td>18.72</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>0.57</td>
<td>0.58</td>
</tr>
<tr>
<td>Credit loss level, %</td>
<td>0.11</td>
<td>0.08</td>
</tr>
<tr>
<td>Total capital ratio, incl net profit, %</td>
<td>11.04</td>
<td>11.47</td>
</tr>
<tr>
<td>Core capital ratio, incl net profit, %</td>
<td>8.63</td>
<td>8.19</td>
</tr>
<tr>
<td>Risk-weighted assets, SEKbn</td>
<td>842</td>
<td>741</td>
</tr>
<tr>
<td>Number of full time equivalents, average</td>
<td>19,506</td>
<td>19,672</td>
</tr>
<tr>
<td>Number of e-banking customers, thousands</td>
<td>2,911</td>
<td>2,597</td>
</tr>
<tr>
<td>Assets under management, SEKbn</td>
<td>1,370</td>
<td>1,262</td>
</tr>
<tr>
<td>Total assets, SEKbn</td>
<td>2,344</td>
<td>1,934</td>
</tr>
</tbody>
</table>

1) For further information on the SEB share, see page 32.  2) 2007 Basel II; 2006 Basel I.

Customers and organisation

Since 1 January 2007 SEB serves its customers through four customer-oriented divisions, assisted by three global support functions.

Business concept

SEB’s business concept is to provide financial services and to manage financial risks and transactions for companies and private individuals in such a way that customers are satisfied, shareholders get a competitive return and that SEB is perceived as a good corporate citizen of society.

Vision and targets

SEB’s vision is to be highest ranked by its customers within the chosen segments in Northern Europe and leading in terms of financial performance. As from 2006, SEB has set new financial targets. SEB’s return on equity shall be the highest among its peers, while its profit growth shall be sustainable. SEB’s minimum rating shall be AA.

The goals shall be reached with the help of motivated employees, increased co-operation between the Group’s different parts and Group-wide support and staff functions. “One SEB” shall give customers access to SEB’s total competence and supply of services.
Meetings with customers through many different channels

630 branch offices in Northern Europe
Since the late 1990s, the Bank has more than doubled its network of branch offices, mainly through acquisitions in Germany and Eastern Europe. Through the purchase of Factorial Bank in Ukraine, 65 new branch offices were added in 2007.

1,600 automatic bank service machines

18 subsidiaries and representative offices
SEB’s customers get assistance around the world, from New York to Shanghai.

2,000 corporate client relationship contacts
SEB’s large corporate customers and financial institutions are serviced by special Client Executives with teams, product experts, analysts, traders etc.

2.7 million calls to SEB’s customer centre
SEB’s private customers are offered personal service around the clock in Sweden and the Baltic countries. In Sweden, services are offered in 22 different languages.

2.9 million Internet users
In addition to Internet services for private individuals and small companies, SEB offers such special Internet services as foreign exchange and fixed income trading, primarily to large companies.

494 million card transactions
During 2007, 494 million transactions were carried out with SEB’s more than three million credit and charge cards, which corresponds to a tripling compared with 2002.

12 international branch offices for private banking customers
Private banking customers residing outside their home countries can turn to SEB’s private banking offices in Luxembourg, Switzerland, Marbella and London, for example.

1,640 insurance brokers/agents and 400 own insurance salespeople
SEB co-operates with a large number of insurance brokers and has a total of approximately 400 own salespeople in Sweden, Denmark and the Baltic countries. In Germany, SEB co-operates with the insurance company AXA.

SEB’s markets

The divisions
Retail Banking, Wealth Management and Life all delivered record results while profit in Merchant Banking was negatively affected by the mark-to-market losses in the fixed income portfolios.

Operating profit per division

<table>
<thead>
<tr>
<th>Division</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant Banking</td>
<td>38</td>
<td>(48)</td>
<td></td>
</tr>
<tr>
<td>Retail Banking</td>
<td>39</td>
<td>(34)</td>
<td></td>
</tr>
<tr>
<td>Wealth Management</td>
<td>15</td>
<td>(15)</td>
<td></td>
</tr>
<tr>
<td>Life</td>
<td>11</td>
<td>(10)</td>
<td></td>
</tr>
</tbody>
</table>

Market shares

<table>
<thead>
<tr>
<th>Service</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits from general public</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>20.2</td>
<td>20.5</td>
<td>21.7</td>
</tr>
<tr>
<td>Estonia</td>
<td>26</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>Latvia</td>
<td>24</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Lithuania</td>
<td>27</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>Lending to general public</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>15.0</td>
<td>14.4</td>
<td>15.0</td>
</tr>
<tr>
<td>Estonia</td>
<td>26</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>Latvia</td>
<td>18</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>Lithuania</td>
<td>31</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td>Mutual funds, new business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>70.3</td>
<td>26.1</td>
<td>17.1</td>
</tr>
<tr>
<td>Finland</td>
<td>11.2</td>
<td>4.4</td>
<td>1.7</td>
</tr>
<tr>
<td>Unit-linked insurance, new business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>22.1</td>
<td>29.1</td>
<td>32.6</td>
</tr>
<tr>
<td>Equity trading</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordic countries, total</td>
<td>7.5</td>
<td>7.6</td>
<td>7.9</td>
</tr>
</tbody>
</table>
The Annual Report is found at www.sebgroup.com

Financial information during 2008

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of Annual Accounts</td>
<td>7 February</td>
</tr>
<tr>
<td>Publication of Annual Report on the Internet</td>
<td>10 March</td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>8 April</td>
</tr>
<tr>
<td>Interim report January–March</td>
<td>30 April</td>
</tr>
<tr>
<td>Interim report January–June</td>
<td>16 July</td>
</tr>
<tr>
<td>Interim report January–September</td>
<td>23 October</td>
</tr>
</tbody>
</table>

For further information please contact

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Cover: Lisa Lindstedt (Scania) in conversation with Niklas Callerström (SEB).
2007 in brief

- Operating profit increased by 9 per cent, to SEK 17,018m.
- Net profit increased by 8 per cent to SEK 13,642m, or SEK 19.97 per share.
- The credit loss level was 0.11 (0.08) per cent.
- Return on equity was 19.3 per cent.
- Proposed dividend is SEK 6.50 (6.00) per share.
- The SEB share price dropped by 24 per cent while the Swedish SIX-index went down by 7 per cent and the European Bank index by 17 per cent.

Corporate events during 2007

- **SEB expanded in Ukraine** by signing a purchase agreement for 97.25 per cent of Factorial Bank, with 65 branch offices in Eastern Ukraine. Following the purchase, SEB's customer base in the Ukraine consists of 14,000 corporate customers and 83,000 private customers.

- **SEB entered an agreement regarding the purchase of 100 per cent of the shares in KAM Group Limited** (Key Asset Management), a leading European manager of hedge funds with SEK 20bn under management.

- **SEB sold its properties in Estonia, Latvia and Lithuania** in the form of both a sale and lease back portfolio of 47 properties to be rented by SEB for an extended period of time and a so-called commercial portfolio of 16 properties in attractive areas.

- **Nya Livförsäkringsaktiebolag SEB Trygg Liv** (Nya Liv) was merged with Fondförsäkringsaktiebolaget SEB Trygg Liv (Fond).

- **SEB received approval to open a representative office in New Delhi, India.**
The past year was characterised by strong underlying performance in SEB’s customer business but also by increasingly challenging conditions in the capital markets.

During the first half of the year, a positive market sentiment spurred activity levels in all segments. In contrast, the second half of the year was dominated by increasing turbulence in financial markets as the prolonged period of abundant liquidity and historically low risk premiums came to an end. The triggering event was the crisis in the US sub-prime market. This was followed by a downward spiral of rising uncertainty, faltering confidence among market participants and widening credit spreads.

As is often the case with market corrections, few predicted the triggering event, the sharpness of the correction or the repercussions on the wider markets and the economy.

The credit spread widening also affected SEB through mark-to-market losses on fixed-income securities portfolios. These portfolios reflect SEB’s size and position in wholesale banking and are held for investment, treasury and to a lesser extent client trading purposes. Portfolios are also held to secure liquidity for pledging with central banks.

High customer activity generated strong income growth

Concurrently with the past years’ expansion with strong income growth in SEB, we have lowered costs, established a more efficient organisation and raised the quality of our product offering.

A diversified business mix

Despite the turbulent financial market, continued high customer activity generated strong income growth reflecting SEB’s diversified business mix. Retail Banking, Wealth Management and Life all delivered record results and double digit profit growth. Within Retail Banking, the controlled slowdown of credit growth in the Baltic countries continued, reflecting SEB’s view on the macroeconomic imbalances – quarterly credit growth more than halved during the year.

Profit in Merchant Banking was weakened by the reduction in net financial income as a result of the mark-to-market losses in the fixed-income portfolios. However, continued high customer activity yielded strong results in equity trading and transaction related areas.

Improved integration and higher customer satisfaction

SEB has taken several steps in the past year to create a more integrated bank in order to make all of SEB’s services and product offerings more accessible to our customers.

The new Group structure with customer-oriented divisions and common

"We have edged closer to our goal to have the most satisfied customers within our selected segments. The recognised global lead of our foreign exchange research and cash management products are important landmarks."
support functions has enabled us to leverage on our size and free-up resources which can be reapplied in customer interaction, product development and growth segments.

Today, more than one third of all employees works according to SEB Way, our operational excellence programme that aims at developing a culture of continuous improvement. Furthermore, during the year the first steps have been taken to create a more consolidated IT-platform.

We have edged closer to our goal to have the most satisfied customers within our selected segments. SEB was again top ranked in areas such as Nordic investment banking and custody as well as within retail banking in Estonia and Lithuania. The recognised global lead of our FX research and cash management products is an important landmark in the highly competitive international banking market. In Swedish retail banking, customer satisfaction improved. In terms of market share, SEB was number one or two within unit-linked not only in Sweden and Denmark but also in all Baltic countries. In addition, Wealth Management confirmed its leading position among institutional clients.

**A solid capital base supports profitable growth**

Concurrently with the past years’ expansion with strong income growth in SEB, we have lowered costs, established a more efficient organisation and raised the quality of our product offering. The capital base has been strengthened in order to further enhance SEB’s creditworthiness and the execution of our growth strategy.

SEB has an attractive franchise with a multiple growth engine. SEB is well prepared for more uncertain times ahead. The aim remains the same – to be the leading North European bank in terms of customer satisfaction and financial performance.

Stockholm in March 2008

Annika Falkengren
President and Chief Executive Officer

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**Customer satisfaction 2007 – Retail customers (Sweden)**

Index showing customer satisfaction and loyalty, per cent

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate customers</th>
<th>Private individuals</th>
<th>Market average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>2006</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>2007</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
</tbody>
</table>

**SEB Enskilda ranked No.1 within equity trading**

SEB Enskilda was again ranked No. 1 within Nordic equity trading both in the all companies and large companies categories.

SEB: Top-ranked global currency exchange forecasts.

Best Nordic and Baltic cash management bank.

“Enkla firman”, Small company product of the year.

Bank of the Year in Estonia and Lithuania.

Best Asset Manager in Sweden for institutional clients.

Best bank in Latvia.

Diners Club and Eurocard – Best customer service in the Nordic area.

No. 1 within Trade Finance in the Nordic area and Lithuania.
We shall reach our goals through increased customer activities and productivity

It is SEB’s ambition to have the most satisfied customers and the highest profitability of all banks in Northern Europe. Continued integration, improved efficiency and increased customer activities shall help us reach these goals.

A bank that recently celebrated its 150th anniversary finds it natural to build further on the basis of old experiences and customer relations of long standing. At the same time, it is of course of vital importance that the Bank is in the forefront when it comes to developing new products and attracting new groups of customers.

In recent years, SEB has taken several steps to integrate Group operations, increase customer activities and improve efficiency and quality in order to create a better position for future profit growth.

SEB is a universal bank in Sweden, Estonia, Latvia, Lithuania and Germany. This means that the Bank offers its broad assortment of products to both large and small companies, to institutions as well as private individuals in these countries. SEB aims at being a universal bank also in its new markets, like Russia and Ukraine.

In the other markets in which SEB is active, growth is primarily built upon the Bank’s traditional areas of strength, which means services for large companies and institutions and asset management. In addition, in Denmark, Norway and Finland SEB has a strong position within card operations and, in Denmark, within life insurance.

Customer-oriented organisation
An important measure for the integration of the Group’s operations was taken through the introduction of a new organisation as from 1 January 2007, with four customer-oriented divisions:

- **Merchant Banking** – services aimed at large and medium-sized companies and financial institutions.
- **Retail division** – services aimed at small and medium-sized companies and private individuals in Sweden, Estonia, Latvia, Lithuania and Germany, including card operations.
- **Wealth management** – mutual fund and asset management and private banking.
- **Life** – life insurance and pension operations of the Group.

New Markets, i.e. SEB in Ukraine, Poland and Russia, represent a separate unit to make it possible to capitalise better on the long-term growth potential of these attractive markets.

<table>
<thead>
<tr>
<th>Bo Magnusson</th>
<th>Annika Falkengren</th>
<th>Anders Mossberg</th>
<th>Magnus Carlsson</th>
</tr>
</thead>
</table>
All customer-oriented operations are supported by three Group-wide Support functions: Operations, IT and Staff functions. “One function, one solution” serves as a guiding principle. For example, this means that the Group’s lending, payment and securities processes, previously managed within the various divisions, have gradually been integrated and gathered in one single place in the Group. The reduction of the number of IT platforms and the streamlining of processes are other examples.

**Intensified activities and higher ambitions**

SEB continues to invest in new products and financial solutions for the large corporate sector with the purpose of keeping up profitable growth in the Nordic, Baltic, German and Polish markets, not least with the help of special activities aimed at medium-sized companies and institutions.

Within the retail business, SEB is focused on continued increased customer activities and on developing easily accessible products. The growth potential here is found not least in the market for small and medium-sized companies, where we can use the expertise and the products that we have developed for the large companies. In Sweden, the successful Enkla sortimentet-campaign (Easily accessible assortment) continues.

In the area of asset management, we have the ambition of enhancing our advisory services and of offering more and quicker introductions of new products on the market. Our goal is to become the leading asset manager in Northern Europe.

For life insurance in Sweden and Denmark the greatest growth potential is within company-paid insurance and the welfare area. To establish and to maintain a leading position in the growing Baltic and Ukrainian life insurance markets forms an important part of the strategy as well.

**SEB Way, an important cornerstone of SEB’s efficiency efforts**

The improvement process SEB Way represents an important part of SEB's continued work to increase efficiency. SEB Way was initiated in order to further increase quality and meet the productivity pressure prevailing within the financial sector (see further on page 22).

**SEB’s Executive Committee**

In addition to the President, Annika Falkengren, the Bank’s Executive Management consists of the Heads of the four divisions, Magnus Carlsson (Merchant Banking), Bo Magnusson (Retail Banking), Fredrik Boheman (Wealth Management), Anders Mossberg (Life) and Ingrid Engström (Head of HR and organisational development), Per-Arne Blomquist (Chief Financial Officer) and Hans Larsson (Head of Staff functions).

These people together have the highest responsibility for conveying SEB’s strategic programme, Road to Excellence, to all employees and for making sure that it is implemented.

The next tier consists of approximately 50 Senior managers, including the members of the Executive Committee, and forms SEB’s Management Council that meets three or four times a year. The 300 top managers of the Bank are convened once a year.

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**Ingrid Engström**

**Hans Larsson**

**Per-Arne Blomquist**
Born 1962; SEB employee since 2001. Executive Vice President, Chief Financial Officer since October 2006.

**Fredrik Boheman**
Born 1956; SEB employee since 1985. Executive Vice President, Head of Wealth Management since January 2007.
Long-term vision and new investments to create customer value

SEB’s ambition to have the most satisfied customers in its selected markets in Northern Europe will be achieved through increased activities and improved services. It is matter of everything, from the steady improvement of advanced products for the large corporate customers to ways of new thinking in order to simplify everyday life for private individuals and small companies.

The Bank already occupies a leading position and top-rankings in the Nordic area and the Baltic countries within several of its traditional core areas, i.e. services aimed at large companies and institutions as well as wealth management. This is for example true for equity trading, foreign exchange trading and asset management. Within cash management and currency forecasting, our leading position does not only apply to the Nordic area but also to the world (see below).

In recent years we have intensified our activities and refined our service supply for small and medium-sized companies, building upon our experiences from our co-operation with large corporate customers. We are constantly trying to improve and simplify our basic services, both for private individuals and small companies. One example of this is the introduction of our “Enkla” assortment, (Enkla = Simplified and easily accessible), as described on the opposite page. At the same time, we invest heavily in so-called alternative investment products. After the purchase of Key Asset Management we are now the largest hedge fund manager in Sweden.

Best currency forecaster in the world

During 2007, SEB made the best currency forecasts for the USD, EUR, JPY and GBP taken together, according to a Reuter survey based upon information from 63 of the largest banks of the world. Another survey made by FX Week arrived at the same conclusion after having studied 40 currency forecasters’ ability to anticipate currency trends. SEB was by far best at this during 2007.

“It is of course of crucial importance to be able to forecast the trend for the U.S. dollar in order to be a successful forecaster,” says Johan Javeus, responsible for SEB’s currency analysis. “We consistently adopted a more pessimistic view of the dollar trend during 2007. Early on, we reckoned that the U.S. economy would slow down and that the Federal Reserve would have to lower its key interest rate sharply as a consequence. This is normally not a situation that is favourable for a currency.”

Customer satisfaction (Euromoney 2007)

- No. 1 Quality of personnel
- No. 1 Overall Customer Satisfaction in Europe
- No. 1 Level of commitment to your Cash Management Business
- No. 1 Industry expertise and knowledge
- No. 1 Technical support and guidance
- No. 1 Quality of electronic banking security
- No. 1 Effective use of up-to-date technology
- No. 1 Value dating and cut-off times
- No. 1 Personalised client service
- No. 1 In-country client service
- No. 1 Ability to send bulk file payment regionally or globally

2007 was a record year for SEB’s cash management activities, i.e. for those units which help companies and institutions to manage their payments and liquidity.

In Europe, SEB was ranked number one in the world as far as quality and sector knowledge of SEB’s employees are concerned as well as in terms of the Bank’s commitment to the cash management business. According to the same survey, SEB has the most satisfied cash management customers in Europe. On a global basis, SEB’s cash management was ranked number two in the world (after Citigroup) in terms of customer satisfaction.

As in previous years, SEB was also ranked best cash management bank in the Nordic area by Euromoney, Global Finance Magazine and Treasurer Manager International. In addition, SEB was awarded a number of other first rankings in different surveys regarding this area.

“These awards witness to the fact that our customers appreciate our work. This inspires us with further energy to support these business processes to keep making them successful within their respective areas”, says Erik Zingmark, Global Head of SEB’s cash management activities.

In a global perspective, SEB is a medium-sized bank, ranking between number 80 and 90 in terms of total assets. However, in the area of cash management, SEB is present in about 16 different countries with a very good coverage, ranking number nine globally.

Cash management represents a very good example of areas in which it has been possible to transfer product development and experiences from the large-company sector to other parts of the Group. Today, more than 80,000 small and medium-sized companies in the Retail division are using SEB’s cash management services.
The “Enkla” assortment, an alternative worth its price

The launching of the “Enkla” assortment forms part of SEB’s ambition to become the best bank in terms of customer satisfaction. This assortment has been developed for our customers on the basis of the following cornerstones: simplicity, easy access, clarity and good-value. At present there are five offers for private individuals – the best bank in terms of customer satisfaction. This assortment has been strengthened, enabling the Bank to improve its asset management offers.

SEB had eleven hedge funds at the end of 2007, but increased its assortment further in early 2008 through the acquisition of KAM Group Limited (Key Asset Management), a leading European hedge fund manager with approximately SEK 20bn under management. Through this purchase SEB’s position was further strengthened, enabling the Bank to improve its asset management offers.

Hedge funds, an option regardless of market climate

Hedge funds have become a popular option beside traditional equity and interest funds. They form part of the alternative investment category, which comprises properties, private equity and structured products – an area on which SEB is strongly focused.

One advantage of hedge funds is that the rules for such investments are more liberal than for normal mutual funds. For example, a hedge fund can invest in new asset classes such as commodities and infrastructure projects and can also use such other management methods as shorting, borrowing, etc. In addition, hedge funds aim at generating an absolute return rather than a return which is relative to a certain index.

Hedge funds are actually a broad concept covering a number of different sorts of funds that offer investors the opportunity of choosing between risk and yield levels. For example, if an investment in bonds is exchanged for one or several hedge funds, the expected risk level should be identical with that of the bond, whereas the yield should be higher.

“Hedge funds are good for our investment clients since they can generate growth regardless of the trends in the global financial markets. Consequently, they represent an attractive growth area for us”, says Tove Bångstad, Head of SEB Fonder (Mutual funds).

SEB has offered the products Enkla loans and Enkla firm, for which there is a similar arrangement in Estonia. The introduction of Enkla firm has met with great success and attracted both existing and new customers (see article on page 15). Local branch offices have invited private business people to local office gatherings, offering them the opportunity of exchanging ideas and experiences with the Bank and with other people running one-man businesses.
Customer activities during the year

Numerous customer activities during 2007

We intensified the contacts with our existing customers during 2007, while making extra efforts to reach new groups of customers. Customer activities comprise everything, from macro-economic seminars and special programmes on entrepreneurship to sports and cultural events with special guests and savings festivals.

SEB’s banking concept in Ukraine

"Invented in Sweden, works in Ukraine" was the theme of SEB’s campaign in Ukraine, marketing car loans, among other things.

Swedish symbols in Germany

In the spring of 2007 SEB Germany launched its biggest marketing campaign in many years. Attractive rates of interest on savings accounts were offered to increase SEB’s market share and to attract new customers. The campaign reached its peak on 23 June, when the Bank arranged its traditional midsummer celebration. To further stress the Swedish connection the Swedish elk was used as an emblem.

SEB’s commitment to entrepreneurs

More than 40,000 new companies were started during 2007. SEB finds it very important to establish contact with new entrepreneurs early on and to accompany them from the very start. Thanks to its strong trademark in the world of entrepreneurs, SEB is able to attract new customers and business. SEB co-arranges a number of both nation-wide and local events for entrepreneurs, who are in different stages of development.

Among other things, SEB sponsors the Entrepreneur of the Year, one of the finest awards in the world of entrepreneurs. The winner in Sweden 2007 was Laurent Leksell, founder and principal owner of Elektra, a company that has been an SEB customer since it was started in 1972.
Customer activities during the year

Successful savings festival
A savings festival was arranged in SEB’s branch offices throughout the country during one autumn week. The purpose of this festival was to meet people in the streets and demonstrate SEB’s broad supply of savings products. The branch office staff together with the Bank’s top management sold 32 per cent more savings products than normal during this week. The campaign was visible on TV and in the media and the branch offices were decorated extra green during the week.

A personal card for everyone
SEB was the first bank in Norway and Sweden to launch a gift voucher linked to MasterCard. The gift voucher is loaded with a given amount of money and can then be used anywhere in the world. The customer can choose his/her own design of the voucher. So far, approximately 3,000 vouchers have been sold.

SEB was first in Lithuania and Estonia to introduce self-designed charge cards linked to VISA. In Sweden, self-designed charge cards for Maestro were launched during 2007 and about 1,500 such cards have been sold so far.

SEB hosted Globe Forum
In April, SEB hosted Globe Forum in Stockholm, which is a network that identifies trends and discussions and carries out sound and successful transactions between Europe and the leading growth markets in Eastern Europe, India and China. The purpose of the Forum, which attracted hundreds of international corporate managers and politicians, is to throw light on the challenges and opportunities facing companies that wish to do business in these fast-growing regions of the world.

New representative office in India
In early 2008, SEB opened a representative office in New Delhi in India to support its customers there and to consolidate its position as the best Nordic bank for international business. The office manages business transactions between SEB’s major markets and India, serves local customers and increases SEB’s expertise as regards customer activities and needs in India.

Match Cup Sweden
In July, SEB sponsored Match Cup Sweden at Marstrand on the west coast of Sweden. This yachting regatta is a fantastic platform for customer activities and a big popular festival, attracting 70,000 visitors. This event gave SEB an opportunity to market its products and to strengthen its customer relations in an unpretentious way.
Scania takes SEB to the test course

Scania has a very long-standing business relationship with SEB. In 2007, the cooperation expanded when the truck manufacturer was looking for a solution to its supply chain financing. This sort of co-operation is a splendid example of how Scania’s tough requirements help the Bank to further develop its own range of services.

For decades, SEB has been one of Scania’s preferred banks. Today, the relationship spans in excess of ten countries and the number of different banking services that SEB provides Scania is approximately the same. As an export-oriented company Scania has established itself on many different markets over the years. And SEB has followed suit. Among other things, SEB has helped the company to develop cash management and cash pooling solutions as well as foreign exchange management and account structures in different countries.

“Since SEB has accompanied the big Swedish companies into the world, sometimes without having its own offices in all the relevant markets, the Bank is today a truly competent business partner within such areas as cash management and foreign exchange management”, says Scania’s Chief Financial Officer, Jan Ytterberg.

SEB has furthermore helped with everything from granting credits and arranging finance in the capital market for Scania’s expansion to assisting in connection with dividend payments and redemption programmes. And now that the truck manufacturer is investing in new countries such as Ukraine, it is of course a positive thing that SEB is growing strongly in the same region.

“Thanks to its wide range of services, SEB has become a natural partner for us. Practically, regardless of our needs for assistance, the Bank is our discussion partner”, notes Jan Ytterberg.

Scania is a company that focuses on methods, processes and continuous improvements to increase efficiency. As such, operating capital has been kept down in spite of the company’s expansion. A result of the effort to make logistics more efficient and decrease working capital, last autumn SEB was given the task of tailoring a completely new solution for Scania, where the Bank steps in and finances Scania’s numerous suppliers.

“With supply chain financing SEB finances our suppliers once we have approved the underlying delivery and payment of the invoice. The starting point for our efforts at reducing our tied-up capital was that all parties involved should gain from our change in supplier routines,” says Jan Bergman, Scania’s Head of Treasury.

This project was a real challenge for SEB. The Bank adjusted its existing solution by linking together parts of the functionality for cash management and information logistics, for example. A bridge to Scania’s systems gives SEB access to those invoices which the suppliers have sent to Scania in the form of information files.

“We have listened to Scania and developed a solution to meet their requirements. To address this challenge, we have co-operated across three business areas of the Bank. In this way, the project illustrates how we perform at our best”, says Client Executive David Teare at SEB.

At present, a pilot project is being carried out with a number of suppliers, which will be complemented by more and more, in line with the development of the solution. Scania is very satisfied with both the new routine and its Bank.

“We feel that SEB stands by us through thick and thin. Simply put, the Bank has a strategy of supporting Scania with both advice and financing. That is a real relationship bank,” notes Jan Ytterberg.

David Teare (SEB), Lisa Lindstedt (Scania), Niklas Callerström (SEB) and Niclas Osmund (SEB) form part of the project group that has developed the new financing solution that will facilitate Scania’s day-to-day operations.

Jan Bergman, Group Treasurer and Jan Ytterberg, Group Vice President and Chief Financial Officer
SEB – a leading corporate bank
SEB – a leading corporate bank

SEB and Metals & Powders – together from the very beginning

A decade of development

Ten eventful years have passed since Thomas Klier took over the metal powder manufacturer Metals & Powders, and the relationship with SEB has lasted as long. “We know each other very well by now,” says Thomas Klier.

Thomas Klier purchased the company Metals & Powders at Trollhättan in 1997. What he then took over was a run-down production facility with a turnover of about SEK 5m. Today, ten years later, Thomas Klier is the boss of a well-reputed manufacturer of metal powder with a turnover of SEK 400m a year, exporting to customers in the steel industry in more than 40 countries.

SEB and account manager Magnus Nilsson have been around since the very beginning. The Bank helped finance the purchase and has ever since been Metals & Powders’ house bank and adviser. Today, the company has everything, from currency accounts to insurance and trading and capital market services. Financial advisory services and management form part of the Bank’s engagement since last year. The relationship has deepened over the years to such extent that Thomas Klier chose to stick to Magnus Nilsson and SEB also after having moved his company from Trollhättan to his native place at Ekshärad. Magnus Nilsson stayed on as account manager, even though he moved, too, to SEB’s branch office at Amål.

“We have got to know each other and our relationship is built upon mutual loyalty and trust. Magnus and SEB understand our everyday situation. This is why they are able to react quickly, presenting solutions that facilitate our work,” says Thomas Klier and continues:

“I wish to be where I feel at home. This does not only apply to Ekshärad but to my relations with SEB as well.”

Magnus Nilsson agrees on the importance of knowing the customer to be able to be one step ahead, when it comes to suggesting solutions. He underlines, however, that it takes a functioning machinery behind in order to give the customer the best possible service.

“Things must work both technically and from a relationship point of view. This is something that we are good at within SEB and we have definitely succeeded in this case,” he says.

In spite of the explosive growth over the first ten years, Metals & Powders continues to grow. The next stage involves a 25-per cent expansion of the production capacity to meet the increasing demand. In addition to celebrating this growth rocket’s 10th anniversary, Thomas Klier was awarded the second prize in the World Entrepreneur of the Year Championship contest in Monte Carlo, which attracted 39 participants from an equal number of countries. In 2006, he was awarded the title of Entrepreneur of the Year in Sweden.
In February 2008, Nordic exchange operator OMX became part of Nasdaq, with the deal taking a series of surprising turns before completion. “SEB’s participation was an important success factor in our acquisition of OMX. We certainly fully appreciate the significance of a partner that knows the local markets,” said Nasdaq’s Executive Vice President of Corporate Strategy Adena Friedman.

Nasdaq made a bid for OMX in May 2007. However, it took another nine months before this somewhat unusual deal was completed. There were a lot of stakeholder groups involved in the acquisition process, while others, including Borse Dubai, also declared an interest in OMX.

“This involved us in more tactical considerations and advisory services before and after Nasdaq and the Dubai Stock Exchange reached a settlement. So our involvement from the initial bid to agreement and completion was extensive,” said John Abrahamson, Global Head of SEB Enskilda Corporate Finance.

SEB Enskilda was one of Nasdaq’s two financial advisers. The Bank’s Corporate Finance division co-ordinated the bidding process, concentrating on the tactical and technical sides, which also changed during the process. Its task also included negotiating and securing irrevocable commitments from OMX shareholders.

“We chose SEB because it is regarded as one of the very best players in the Nordic region, with substantial resources, and it is also a full-service bank,” added Adena Friedman.

The unique characteristic of this deal was that apart from affecting shareholders, it also involved several sector organisations and interest groups, some of which had concerns about whether a deal with a new American owner would affect the market’s regulatory structure and Sweden’s capital markets — and if the bid would have an impact on Stockholm as a financial centre. As the tendering process developed, having a partner with strong local connections and a broad contact network became more important.

“Apart from the customary advisory services on the bidding and acquisition process, we served as a link between Nasdaq and other interests,” continued Mr. Abrahamson. “We were the hub for questions, easing dialogue between the parties to satisfy their need for information. Our close relationships with decision-makers in Sweden and other Nordic markets were decisive in this context. It has been important for all parties to be able to make their decisions on the basis of complete information, and to understand the consequences of these decisions.”

Adena Friedman has been continually impressed and very satisfied with her local advisors. “SEB Enskilda’s input has been invaluable, supporting us in all contexts. We realized how important having a local partner that understands the market, political and cultural issues. Particularly in this case, because Sweden has such a strong financial centre. SEB Enskilda’s team, headed by John Abrahamson, was with us throughout,” she concluded.

The deal was finalised in February 2008, when OMX became part of Nasdaq. SEB Enskilda and Nasdaq also forged a new relationship, and Adena Friedman sees opportunities for future collaboration.

“Next time around SEB Enskilda will be our first port of call,” she concluded.

Formation of the Nasdaq OMX Group:

Borse Dubai and Nasdaq gained joint control over OMX. The deal was implemented in two stages: the Dubai Stock Exchange acquired OMX first, and then transferred its shares to Nasdaq for a participating interest of 19.99 per cent of a merged Nasdaq and OMX.
In 1994, Mats Bruér started to sell electric light fittings for both indoor and outdoor use. Already after two years of operation the company, that was named Flux, had a turnover of close to SEK 10m. During some of the following years Flux was a “Gasell” company, thus counting among the real fast-growing companies in Sweden. Today, turnover is increasing by approximately 20 per cent annually, in spite of current expansion investments.

From the very outset, SEB was with the company, managing their payments, salaries and supplier payments as well as their health insurance Trygg Liv Extra. Flux and the Bank got real close to each other last year, when the light manufacturer decided to make a strategic purchase of Smedmarks, a company specialized in minimalistic fluorescent tube fittings.

“The purchase created big synergy gains, since we got an existing production facility including increased storage space. In addition, Smedmarks has a strong trademark within its particular segment,” says Mats Bruér when summarizing the advantages.

SEB increased the company’s overdraft facility for the purchase, which required large investments, while Smedmarks’ flow business was moved to SEB. Moreover, the acquisition led to the use of new banking services designed to facilitate the day-to-day operations of Flux, both today and for the future expansion plans of the company. For example, the company now has an invoicing solution in the form of accounts receivable financing. This helps to increase the operating liquidity, which is particularly good in view of the company’s fast expansion.

“This decision was made when Mats and I met during a customer event,” says Stefan Månsson, account manager at SEB.

At present, the partners are looking at the possibilities of managing exchange rate fluctuations, since Flux mainly buys and sells in euro. Mats Bruér has operations in Hong Kong, as well, which exposes the company to yet another currency. In addition, insurance solutions for
The launch of Enkla firman

A road to simple everyday life

Everything concentrated in one and the same place, and yet completely separated. During the past year, SEB launched the concept of Enkla firman or the Easy and accessible firm. “We want to facilitate everyday life for those who both run the finances of the firm and their private finances on the same account,” says Åse Bogren, adviser. Malena Enget is one of those self-employed persons who saw the advantages of the offer.

In October last year, SEB initiated a major campaign to reach the growing group of small entrepreneurs, in particular self-employed businessmen/women. To offer a solution to the needs of this group of customers, the Bank gathered such basic products as cheque accounts, bank giro numbers and credit/charge cards and completed this with a special function for the private business, all based upon the Internet Office Private customer offer. This is how the Enkla firman concept was born.

“For the creation of this service, simplicity was our leading principle. It is not necessary to have a series of advanced services. Just a few basic products and the possibility of keeping the firm separate from the private account are enough. Thus, the Easily Accessible Firm concept becomes an alternative that is worth its price and facilitates the work from a bookkeeping point of view, at the same time,” says Åse Bogren.

The concept furthermore means that the Bank invites the private businessman/woman once a year for a review and advice.

Malena Enget has been running an event and communications firm for three years. She decided to become a customer of the Bank and got an offer regarding Enkla firman in connection with the transfer of her business.

“I thought it sounded fine and realized the advantages at once! It easily gets messy when you mix two different types of finances on one single account. My move to SEB therefore became even more natural. Enkla firman makes things simple and smooth, as I can clearly see what is what,” says Malena Enget, who already for some time now is familiar with both the Bank and the new concept.

The Enkla firman concept makes it easier for the Bank to see which private individuals that are also self-employed people, enabling the Bank to offer advice on important issues concerning small entrepreneurs, like insurance solutions.

“The concept has been very well received and we have noted that there is great interest in this type of solutions. The key question is to grasp the full picture that characterizes these firms,” notes Åse Bogren.
Our service offers to companies and institutions

SEB is an adviser and a financial partner to approximately 2,500 large international companies and institutions, mainly located in the Nordic area and Germany. SEB’s 400,000 small and medium-sized corporate customers have access to the competence and products that have been developed in cooperation with the large companies after adaptation to the needs of the small companies. Customers have furthermore access to a great number of services that are specifically designed for small companies and entrepreneurs.

**Internet Office for companies**
With the company’s finances gathered in one place, it only takes a few moments to get an overview of accounts, payments, funds, loans and shareholdings, for example. The Internet Office is open around the clock every day of the year. It is as safe as a regular branch office. Our corporate advisors can be reached here by telephone.

**Card payments and redemption of cards**
By signing card redemption agreements with SEB for MasterCard, VISA and Diners Club our corporate customers are able to offer their clients a safe and smooth way of payment.

**“Enkla firman” – Easy firm**
“Enkla firman” represents a comprehensive solution for people running unregistered firms. This service includes the Internet office, private and bank giro payments, payment service via the Internet, corporate cards, corporate accounts offering higher rates of interest and free withdrawals, advisory services and pension solutions.

**“Enkla lånet” – Easy loan – for companies**
“Enkla lånet” is a quick and smooth way for small companies to borrow money, from SEK 30,000 up to 300,000. Applications are made via the Internet, by telephone or through a branch office and response is guaranteed within 24 hours. The loan may either be in the form of an overdraft facility or a regular loan.

**Payments**
Payments are made automatically from the company’s finance system or via the Internet. The monitoring of due dates is included in the service.

**Payroll administration**
SEB offers simple and smooth solutions for companies’ payments of salaries, including follow-up of due dates, etc.

**Insurance and pension savings**
By offering insurance solutions, including associated services, in several markets such as the Nordic and Baltic regions and Germany SEB is able to satisfy corporate needs in terms of occupational pension and employee benefits, for example. In addition, SEB offers insurance solutions to help companies reduce sickness absence and related costs. Administration of pension funds is another service, where SEB is the leading player in both the Swedish and Baltic markets.

**Wealth management**
Company-adapted asset management is a tailor-made service, aimed at companies and financial institutions. Wealth management offers its services on either a discretionary or advisory basis, according to requirements. The investment horizon should not be less than one year. It is our ambition to offer the best possible return in relation to the risk that the customer chooses.

**Institutional asset management**

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### Cash management
SEB can help customers to develop their liquidity processes and make them more cost efficient. The service offer includes everything from payments and accounts to advanced advisory services and research. Our success is built upon our ability to recognize our customers' needs and to develop new solutions, in close cooperation with customers. This has been confirmed through a series of international awards such as "No. 1 in Overall customer satisfaction in Europe", by Euromoney.

"Best at Cash Management"
Euromoney

### Financing
SEB provides companies with financing with the help of different products such as overdraft facilities, loans, credit and charge cards, factoring, export finance and guarantees. After having analysed the company's specific needs we will recommend the products that are best suited for the company in view of its current situation and development plans.

### Foreign exchange and securities trading
SEB offers a complete range of services with respect to customer trading. In order to meet customers' needs for integrated financial services all functions relating to equity, interest, debt and foreign exchange activities, including associated research, are concentrated to one single place in the Group. Two thirds of SEB's foreign exchange transactions are executed electronically. FX Week appointed SEB as the best bank for trading in Scandinavian currencies in 2007. SEB is one of the leaders within securities trading in the Nordic region.

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### Custody
SEB is the leading custodian bank in the Nordic and Baltic regions and provides financial institutions and companies with effective solutions for the disposal and custody of securities. SEB's success depends on its intimate knowledge of customers' needs and its ability to optimize their access to vital information, creating a sound basis for prudent investment decisions. The Global Custodian magazine has top-ranked SEB as a custodian bank in Denmark, Finland, Norway and Sweden.

"Rated best sub-custodian in all Nordic Countries and European Leader"
Global Custodian

### Special financing
SEB assists its customers in complex financing operations that require extensive analysis and documentation, usually focused on specific industries. Our services are based upon deep knowledge of different industrial sectors and of our customers' operations and processes. This allows us to make well-balanced risk assessments and to offer competitive financing solutions.

### Advisory services and financing within the real estate sector
The real-estate market is growing and becomes increasingly international. Industry specialisation intensifies and increases the demand for sophisticated and tailored banking, advisory and financing services. In 2007, SEB was top-ranked for its real estate services both in the Nordic and Baltic regions and globally.

### Leasing
SEB's corporate customers have access to services that release capital and make room for growth.

### Assistance in connection with changes in ownership structure
Whether it is a matter of buying or selling a company or a generation change, SEB has all the knowledge, expertise and network of contacts that are necessary for the planning and implementation of the transaction.

### Corporate finance
SEB offers extensive advisory services regarding company acquisitions, divestments and mergers as well as share issues and listing operations. In 2007, SEB was the most important bank in the Nordic region in terms of mergers/acquisitions and initial public offerings.

"Best in Corporate finance in the Nordic region"
Prospera

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Ignacio Guevara: SEB is an important link to my other home country

Sweden in my heart

Ignacio Guevara came to Sweden from Chile as a refugee in 1974. Today, he is back in Santiago as the owner of several family companies. He still keeps many links with Sweden, however. One of them is his close business relations with SEB.

During his first time in Sweden, Ignacio Guevara learnt Swedish. Quite early, he also started his engineering studies there. To finance his studies he used to work as a bus driver at the local transportation company, SL, during the second half of the 1970s.

“Most of the time I worked night-shifts, since I was studying micro-electronics in the day-time”, he remembers.

Thanks to his knowledge of Swedish and his Master of Engineering degree he got a job at Ericsson. Ever since, his professional life proceeded automatically. After 13 years in Sweden, Ericsson sent him abroad, but he did not return to Santiago until 1991, as Head of Ericsson in Chile. He has remained there and is now running a family-owned corporate group, active within telecommunications, transportation, fruit exports and an engineering firm.

“One of my companies is actually named SL, which stands for Santiago Local Traffic. We have 65 buses running in the southern part of the city”, Ignacio says with pride.

SL is just one of Ignacio’s several links with Sweden. Another one is his long-standing relationship with SEB, where he became a customer in the early 1980s, after starting to work for Ericsson. Later on, he was a so-called non-resident client, until he ended up in the Special Cliens unit within the Private Banking business area. Since 2003, his contact at SEB is Ia Stenmark Bernander, responsible for discretionary management of Ignacio’s portfolio. They meet approximately four times a year, maintaining regular contact via e-mail in between.

“Ia is in charge of current matters although we do check up things regularly in between. Management is focused on Swedish securities. I have full confidence in Ia and the Bank, helping me to safeguard my pension”, says Ignacio.

Ia Stenmark Bernander knows the whole Guevara family and stresses the importance of...
Private customers – advice in focus

SEB opens a new branch office – another step to get closer to customers
Right in the summer idyll

Following several years of planning, it was finally time to open SEB’s local branch office. The new Tanumsheede office on the west coast of Sweden was inaugurated in April. Helen Simonsson is one of the new customers welcoming the office to Tanumsheede.

Tanum is a municipality of 12,300 inhabitants, located 150 km north of Göteborg. Life on the West coast of Sweden, with such summer resorts as Fjällbacka and Grebbestad, attracts many tourists during the summer months, increasing the local population more than five-fold. Increasingly, people choose to take up permanent residence in the municipality.

And so does SEB, thus breaking a long-time banking monopoly in the Tanum municipality. Many positive reactions have come from both private individuals and companies.

“It is our constant ambition to be as close to our customers as possible through a local presence. We have had branch offices in every municipality of the province of Bohuslän, except for Tanum, but now we have a full region-wide coverage,” says Katarina Hugosson, one of the four local employees.

She is also account manager for the Helen Simonsson and Henrik Andersson couple, bank customers since last autumn. They turned to the bank for financing of their newly-purchased summer house right outside Tanum. They saw the advantages of SEB’s local presence in the whole region and realized that this is a bank that they can be close to even if they should choose to move one day.

“Katarina made a very positive impression and helped us to find a solution that works. This helped us make our decision,” says Helen Simonsson and continues:

“I have had a few thoughts since then and we have always received prompt and clear answers. Above all, I have realised how very important service is, actually regardless of what I need as a customer,” Helen Simonsson concludes.

Besides the mortgage, Helen and Henrik have their savings account, credit and charge card services, Internet bank and pension savings with SEB today.

The new owners are now busy renovating their new house, adding their personal touch to it during weekends and holidays. The local Tanumsheede branch office is kept busy attracting new customers.

“With our competence, service and international network I am convinced that we will become a natural part of Tanum,” says Katarina Hugosson.

Ignacio Guevara and Ia Stenmark Bernander meet each other at Slussen in Stockholm. Right beside is the end station of the Stockholm Local traffic buses that Ignacio was operating in the 1970s.

personal relations. “The personal relationship is an important part of SEB’s whole business concept. We start by trying to understand each customer’s differences and then build our relationship on the basis of this. When this works, as it does with Ignacio, it is highly rewarding and we do feel proud, of course, when we hear him say that he has confidence in us!” says Ia.

Nowadays Ignacio comes to Sweden almost every month.

“I was recently appointed Chairman of the Swedish-Chilean Chamber of Commerce, which takes me here more often. On the other hand, my visits tend to be very short so I do not always have time to meet my friends here.”

One thing that he does not miss, however, is to have some cinnamon buns.

“I love these, and I think that it has to do with the social aspect that they actually often involve. Another thing that I miss is the scenery and forest walks”, he says and continues:

“I owe a lot to Sweden. This is where I got my freedom, where I met my wife and had children, where I got professional training and started my career. Sweden also taught me to be organized and to be on time. This has actually helped me a lot in life,” laughs Ignacio Guevara.

*Katarina Hugosson and SEB make me feel confident, which helps me to concentrate on our new summer house,” says the new customer Helen Simonsson (left).*
The Volkov family – uses SEB for both their private and corporate business

Service in both directions

A year ago, the Volkov family left their old bank to become customers at SEB’s Riga office. This means that both they and the Bank are each other’s customers.

Andrejs Volkov’s relationship with SEB is slightly unusual. As a manager and board member of a small company of 20 employees that sells and services ATMs, the Bank is his customer. As for himself, he used to be both a private and corporate customer of another bank for a long time, before he and his wife Alexandra decided to build a new house for their family a little over a year ago.

“I discovered SEB when they made me a better mortgage loan offer than my previous bank, but it was primarily SEB’s good service and positive attitude that made me change banks. Here, I felt like a preferred customer, which is something that I highly value”, Andrejs Volkov tells us.

After the new relationship was initiated, Andrejs Volkov has started to use many more SEB services and is today a full-range customer of the Bank with accounts, Internet bank, SMS-bank, credit/charge cards, life insurance and pension funds. The next item on the agenda involves a savings package for the future of his family’s two children.

“In my opinion SEB, apart from being flexible, has an excellent general service offer” he summarises.

However, the relationship has not only been developed and grown on the private side Andrejs Volkov has also moved his company’s business to SEB, using the Bank for salary payments, leasing services and life insurance for his employees.

“The fact that the same Bank is able to handle both my private and corporate business makes things considerably easier. I would say that for me this is really a condition. Since all my employees have their accounts and charge cards with SEB it is very easy to handle the payroll administration” he explains.

SEB’s account manager, Sandra Jansone, wishes to stress the same aspect:

“Andrejs Volkov represents exactly the kind of customer that we are particularly good at handling – a private individual who runs a small company, where we are able to take care of both the private and corporate business.”

Andrejs Volkov emphasizes yet another advantage with SEB:

“Since we are the ones that service ATMs, we often know where there is an SEB ATM, wherever we happen to be. This is something that both I and my employees think is good.”

Above: Andrejs and Alexandra Volkov together with Sandra Jansone at SEB (left); in the family’s almost finished house outside Riga.

Left: Andrejs Volkov services one of SEB’s ATMs in Riga.
Our service offers to private individuals

SEB has the privilege of serving more than five million private individuals. Advisory services form the basis of our customer relations and are adapted to each individual’s specific situation.

The “Enkla” products
SEB has launched a concept assortment of competitive products designed to cover a customer’s needs for full-range services and for the purpose of associating the Bank with easy accessibility and clarity. The assortment includes the following: Enkla lånet (Simple loan), Enkla pensionen (Simple pension scheme), Enkla sparkontot (Simple savings account) and Enkla depån (Simple custody deposit). This concept is just as much appreciated by customers with great, complex needs as by customers requiring less sophisticated solutions to their finances.

Easy and accessible

Services around the clock
For those who wish to handle their banking matters at home, via the computer, or while traveling, SEB’s Internet Bank is always open. Via the web SEB’s customers are able to check their account balances, pay bills and buy shares and funds. In Sweden and the Baltic countries, private customers are offered personal service by telephone around the clock and in Germany between 9 a.m. and 6 p.m. Customers can also do banking transactions via an automatic telephone service whenever it suits them.

Cards
SEB’s credit and charge cards – VISA, Eurocard, MasterCard and Diners Club – offer a convenient way of paying for purchases and travel, for example, and can be used in shops and ATMs all over the world. SEB is the leading issuer of cards in the Nordic area and is now expanding its card services into the Baltic region.

Payments
Our customers can pay their bills and make transfers very conveniently with the help of our payment services, including payments via the Internet or by envelope, automatic giro and international payments.

Mortgage loans and other types of financing
SEB’s mortgage lending has grown strongly in recent years, particularly in Sweden and the Baltic region. With its wide range of different financing solutions in the form of loans and credits, such as car or boat loans and overdraft facilities, SEB offers solutions that meet customers’ varying needs.

Bank, securities and fund savings
SEB has a wide supply of savings products, adapted to different needs and purposes. Money grows safely and is always available on a savings account. Equity-linked bonds guarantee the major part of the invested capital, while at the same time the investor gets an opportunity of benefiting from a rise in equity prices. SEB has managed assets for private individuals in Sweden since the middle of the 19th century and is today one of the largest fund companies in Northern Europe, with about 200 own interest and equity funds in Sweden and the rest of the Nordic countries, the Baltic, Germany and Poland.

Private banking
SEB’s private banking customers have access to their own adviser, helping them with everything from tax advice and income tax assistance to asset management with a long-term investment horizon. Customers who wish to make short-term investments have access to their “own” stockbroker. In addition to Sweden and the rest of the Nordic region private banking services are offered to Scandinavians residing abroad through branch offices in e.g. Luxembourg, Zurich and representative offices in Marbella, Nice and Geneva.

Insurance and pension savings
SEB Trygg Liv offers its Nordic, Baltic and Ukrainian customers a complete selection of life and pension insurance schemes. In addition, SEB offers a broad range of products, supplementing public welfare, such as sickness and medical expenses insurance. In Germany, SEB offers insurance schemes from other players.

Assets under custody, private customers

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SEB’s employees

The Navigators – messengers of constant change

“We see tangible quality improvement of our changed ways of thinking and working methods, and even direct sales increases in some cases,” says Benedikte Stakemann. She is one of the SEB’s so-called Navigators, who are involved in developing the organisation in accordance with SEB Way.

SEB Way is a comprehensive change programme that does not have any final date. The purpose of the programme is to develop a culture of continuous improvement, where processes are subject to constant trimming within all parts of the Bank. By minimising all unnecessary internal work more time is freed-up for the customers. This will lead to increased profitability and growth as well as to reduced risks.

Tools for change

In order to convey the philosophy behind SEB Way in an efficient manner into the organisation the Bank has used so-called Navigators during the last two years. The task of these Navigators is to provide the organisation with the necessary tools to implement the changes and to secure their permanence. More specifically, it is a matter of mapping out existing processes, finding more efficient working methods and making sure that the employees develop their own competence to be able to make use of them.

The Navigators, who work full time on SEB Way, are recruited both internally and externally. Although they belong to a particular division they sometimes work across the divisional borders.

The projects, or the transformations as they are called, are normally run for a three-month period.

Employee participation

Two of the Navigators are Benedikte Stakemann of SEB Pension in Copenhagen and Ian Fredén of Merchant Banking in Stockholm. Benedikte Stakemann was a strategy consultant before she joined SEB Liv in the spring of 2007. Ian Fredén has been an SEB employee since 1990, starting as a trainee and then holding various managerial positions both in Sweden and abroad. He became a Navigator in the spring of 2006 and has carried out five transformations.

“Most of these were related to Merchant Banking’s credit process. We have managed to shorten lead times and the time it takes to reach a credit decision through more distinct standards, processes and through a closer co-operation between the various units,” he says and continues:

“Our colleagues along the line are responsible for the processes of change. This is the basis of our work and that is why the transformations usually involve many colleagues.”

Benedikte Stakemann wishes to stress the importance of employee participation, too.

“Every colleague has to be engaged when the line is faced with new working methods. It is equally important that the managers are able to motivate the staff, particularly when it comes to making the changes permanent after a transformation has been implemented. This is the great challenge and why we work very closely with the managers to support them,” she says.

The Navigators follow up every transformation to make sure that the effects are of a lasting nature, thereby acting as quality controllers, too.

“We see tangible quality improvement from our work, which has led to increased sales, too,” says Benedikte Stakemann.

Part of the line

Among other things, Benedikte Stakemann has implemented a transformation at SEB Life’s back office and one within mutual fund sales. She is currently leading a transformation while supporting two other projects.

“It is exciting to be involved in a clear management initiative of high priority to the Bank. I have been faced with real challenges from the very beginning and had the opportunity of making important contributions. This has been the perfect start for me, before assuming a position in the line,” she says.

The idea is that the Navigators join the line after a while, often with managerial responsibilities, in order to create lasting cultural changes within the SEB Way framework.

Subsequently, new Navigators will be appointed.

Personal challenges

The Navigators are expected to have a broad understanding of processes. At the same time, they are offered solid training, leadership development and an international career.

“The success of the programme is probably based upon the combination of personal challenges, qualifications and the opportunity of making real contributions to SEB’s progress. Quite simply, it is a win-win situation,” says Ian Fredén, who coaches Navigators in Lithuania and Norway, too.

“Despite having held various managerial positions and my knowledge about the line operations I am all the time learning new things. I will therefore be a better manager next time I take up a new role in the Bank. The important thing then is to continue to contribute to SEB’s culture of continuous improvement. Consequently, the Navigators will become SEB ambassadors,” concludes Ian Fredén.

SEB Way facts

- SEB Way means doing the right things, and doing them right from the beginning.
- To identify and establish the best working method.
- To update problems and obstacles in the daily operations.
- To measure, analyse and refine the work through constant followup routines.
- SEB Way means changing the corporate culture and attitudes in order to make customers satisfied, increase profitability, quality and efficiency – all the time.
Well-motivated employees

The Bank’s ability to attract, lead and keep competent staff is of crucial importance for reaching the targets that have been set: To become the best bank in Northern Europe in terms of customer satisfaction and profitability.

The purpose of SEB’s Human Resources strategy is always to have the right people at the right spot on the right occasion. All employees must understand and be committed to the implementation of the Bank’s strategies and act in accordance with its core values: Commitment, Continuity, Professionalism and Mutual respect.

SEB finds it important to have an open, continuous dialogue with its employees. In late 2007 a survey called Voice was carried out throughout the Group. The response frequency was as high as 87 per cent.

In total, the Voice index reached 67, which is on a par with that of the global financial industry. SEB’s employees are highly motivated and committed: 68 per cent compared with 61 per cent on average for the international comparison group.

SEB helps exposed children in Estonia

In August 2007, a group of children from orphanages in Tallinn and Pärnu got an opportunity of meeting with their idols from the Estonian basketball league. A basket ball was given to each child together with an autograph from their idols.

This is one example of the kind of activities that are carried out by the Fund that SEB established in Estonia in 2005. The purpose of the Fund is to offer a better future to orphan children by supporting orphanages and by carrying out joyful and meaningful hobby and leisure activities for them.

“Nothing should be more natural than letting every child grow up in a home full of care and love. Unfortunately, this is just a dream for many children who for various reasons have been abandoned by their parents. Even if they are cared for properly in orphanages, it is impossible to replace all that which comes naturally in a family,” says Triin Lumi, responsible for SEB’s Children’s Fund in Estonia.

In order to help these children SEB Estonia started its Eesti Ühispanga Heategevus Fund. SEB has agreed to contribute EEK 20m (SEK 12m) over the next ten years.

Twice a year SEB arranges a campaign, inviting its customers to make contributions in support of the orphan children.

“Today, we have approximately 4,000 people that make regular contributions to our activities,” Triin Lumi tells us.

The combined financial contributions from SEB and private donors are used to support orphanages at Tallinn, Narva and Dorpat. The Fund has a co-operation agreement with a Family Centre at Pärnu and with a social welfare institution for children at Sillamäe. Triin Lumi, who is the only employee of the Fund, spends a lot of time at the different orphanages. A 13-year old girl, who was abandoned by her parents, is right now living with Triin Lumi in her home, while waiting for a vacant place in one of the orphanages.

During the past year, the Fund has carried out a number of hobby and leisure activities for the children. The Family Centre at Pärnu could open a playground with the help of means from the Fund, which also arranged a trip to the Heureka Scientific Centre in Helsinki.

During the summer, the Fund organized an event with the Estonian basketball league. This meant that the league donated one Estonian krona for each three-point goal made, while SEB contributed as much for each krona given.

This year, as in previous years, SEB in Sweden resisted from sending out large amounts of Christmas cards, contributing the savings to children’s activities in Estonia, Latvia and Lithuania.

“I intend to use the Christmas card gift for buying furniture for the orphanage at Narva,” says Triin Lumi.

SEB in the society

SEB’s operations are based upon the long-term confidence of its customers, employees and society.

As a financial group, SEB plays an active role in social development for example by acting as an intermediary between companies and private individuals with surplus capital and those with borrowing needs. SEB shall be a good corporate citizen in its role as advisor to corporate and private customers and a trustworthy manager of assets, generating a good yield, while meeting high ethical standards. It is also vital that SEB is a good employer so that its staff gets development opportunities and learns new things. SEB works actively for equality and ethnic diversity within the Group.

SEB furthermore works for a good society and a sustainable development in a broader sense. Our own work for equality and ethnic diversity is carried out outside the Bank, too, in the form of mentor projects and assistance to immigrant entrepreneurs. Our activities shall be environment-friendly. We wish to contribute to a sustainable development of society at large through our credit-granting and mutual funds activities. By sponsoring sports, culture, children and youth we can contribute to a better society.

Read more about SEB’s corporate responsible work at www.sebgroup.com.
SEB’s Baltic operations have shown tremendous progress since being fully acquired by SEB at the end of the 1990s, and have played an important role for the Group’s profit growth during the past seven years.

Recently, however, the Baltic economies have increasingly been characterised by great imbalances in the form of high inflation and large current account deficits. SEB realised the need for a more prudent credit policy at an early stage.

“Already at the beginning of 2006, we became more cautious in our lending activities. We took a more conservative stance, in particular towards the commercial real estate sector,” says Ainārs Ozols, Head of SEB in Latvia.

“We have also become more conservative as regards mortgage lending. We have for example introduced stricter requirements on buffer and collateral. We are also more conservative regarding foreign currency loans,” says Ozols.

Since competitors generally have continued lending at a high pace SEB’s market shares have declined in the Baltic countries.

Increased focus on savings products

“At the same time there is a great demand for and potential in long-term savings and services for corporate customers,” says Ahti Asmann, Head of SEB in Estonia. We are still at an early stage of development in the banking sector and are consequently now increasing the number of products per customer, particularly within the more sophisticated areas.”

“Also in Latvia, we are focusing more on diversifying the business, paying more attention to savings and life insurance products. Our sales of life insurance products increased by approximately 300 per cent in 2007,” Ozols adds.

Increased focus on long-term savings and services for corporate customers in recent years has contributed positively to SEB’s result and the non-credit-related income is now growing at a faster rate.

During the last few years, the three Baltic banks have developed into truly universal banks, with retail banking, wholesale banking, investment banking, private banking, life insurance and asset management. For example, SEB in Lithuania was previously regarded as a bank for primarily large corporations. This has now changed.

“Today, we are regarded as the best service company overall in Lithuania. In terms of customer satisfaction we are ranked No. 1 among private individuals and we have received the “Best Bank Award” by both Global Finance and The Banker,” says Audrius Žiugžda, Head of SEB in Lithuania.

Comments on 2007 by the Heads of SEB’s Baltic banks

“We are still at an early stage of development in the banking sector and see very strong demand for more sophisticated products.”

Ahti Asmann, Estonia

“Already at the beginning of 2006 we became more conservative and took a more cautious stance within the real estate sector, among other things.”

Ainārs Ozols, Latvia

“Previously SEB in Lithuania was primarily regarded as a bank for large corporations. Today, we are regarded as the best service company overall in Lithuania.”

Audrius Žiugžda, Lithuania

“One SEB” in the Baltic

During 2007 several steps were taken to increase the co-ordination of the operations in Estonia, Latvia and Lithuania with the rest of SEB. This applies among other things to services for large corporations, life insurance and asset management products, integration of the back-office operations as well as re-branding of the three Baltic banks to SEB.
“Slowdown due to turmoil on the global credit market”

The U.S. mortgage loan crisis has increasingly spread to other parts of the financial market and led to lower key interest rates and higher risk prices, but more than anything to a period of tighter credit, which in turn risks to put a strong check on the U.S. economy, writes Klas Eklund, SEB’s Senior Economist.

Hunt for yield hunt led to hang-over
During several years, low inflation and low interest rates meant that the financial markets took on more risk, while developing increasingly sophisticated instruments in order to spread these risks. This has resulted in strongly rising asset prices.

But now we are facing the hangover. It all started with the American sub-prime market, or the mortgage loan market for households with poor creditworthiness. Once U.S. interest rates rose and housing prices started dropping, many of these households ran into payment difficulties, starting in 2005, which quickly caused problems, not only for the mortgage institutions.

The mortgage institutions have financed themselves by issuing bonds, using the mortgages as collateral. This securitisation process has often come about in several steps and investment banks have sold the paper on to funds and financial investors. Special conduits and Structured Investment Vehicles – SIV’s – have been created to manage these securities outside the banks’ own balance sheets. This new sector has grown explosively and largely outside the reach of national regulators.

However, these financial solutions have often been complex, which has made it difficult to assess the value and risk of the underlying collateral. The rating agencies have not been able to assess the risks properly, some sellers have aggressively pushed out new or repackaged securities and several buyers have underestimated the risks in their hunt for yield. You could say, slightly exaggeratedly, that some of these securities did not land with the investors who wanted this particular type of risk but rather with those who underrated the risks that they took on.

Central banks intervene
During the summer of 2007 the uncertainty about the value of these new securities increased, which led to a collapse of the demand for such new “risk packages”. Investors did not dare to use these new techniques any more to finance their short-term consumer credits or mortgage loans, for example. The risk premium on more risky credits rose sharply.

One effect was that a number of financial institutions got problems with their current financing. Liquidity within essential parts of the credit markets dried up. This, in turn, represented a threat both to financial stability and to the business cycle in the real economy.

The major central banks intervened quickly. The ECB, the Federal Reserve and Bank of England and others pumped in enormous amounts during the autumn to maintain liquidity and to support some of the problem banks. In early 2008, the Federal Reserve carried out a series of unexpectedly big cuts in its key rate of interest. In the U.S., the government furthermore introduced a fiscal stimulus package.

Problems not over yet
Despite these measures, the basic problem concerning uncertainty about the future losses on the U.S. mortgage market and about the value of various complex securities persists. Many banks have been forced to make substantial write-downs. Several banks have had to take back the SIV assets on to their own balance sheets once they became harder to refinance. This, however, strains their capital situation. Consequently, the credit turmoil is not just a liquidity crisis but also a solvency crisis.

This in turn has a negative impact upon the real economy. When banks are squeezed, they often respond by reducing their lending, which affects the expansion of the corporate sector as a whole. Increased market pessimism and weaker stock markets will follow. It is precisely this nasty mix of lower activity and falling asset prices that has led the U.S. to adopt such expansive financial and monetary policy measures.

The problems in the financial markets are likely to continue for some time yet. In spite of the stimulants, the risk of an American recession has increased. However, it is still an open question how dangerous this contagion will be for the rest of the world. Both Asia and Europe seem to be more resilient today than during earlier U.S. downturns. The big banks in Sweden, including SEB, have managed well, so far, thanks to sounder lending principles and greater caution than the U.S. banks.

Still, we will of course be affected. Uncertainty in general has increased. The securitisation process – refinancing through bonds which can be repackaged and sold on – has been a driving force on financial markets in recent years. This process will now be checked. Regulators will require much more transparency and that the rating agencies really manage to rate securities correctly. Several of those special conduits which were off the banks’ balance sheets will now become subject to harsher rules. It is possible that the capital adequacy requirements will become stricter.

Nonetheless, the basic principle that various kinds of financial assets can be converted into securities and sold in special markets is a sound one that will certainly survive, albeit in new forms.
The Group’s income and costs for the year are reported in the profit and loss account. When calculating the operating result, credit losses (both incurred and probable losses), and write-downs are taken into account.

### Income

#### Net interest income

Putting it simply, arranging loans between customers with a surplus of capital and customers with borrowing needs is what traditional banking activity is all about. Acting as an intermediary the Bank may for example use long-term household savings for short-term corporate lending. On the other hand, thanks to the great number of accounts with different maturities, short-term deposits can also be used for long-term lending.

Customers’ requirements vary strongly as far as loan amount, maturity and other conditions are concerned. Furthermore, the interest margins of the banks differ depending upon the market, different handling costs and the business risk involved. Changes in margins as well as in deposit and lending volumes are naturally of great importance for the development of the Group’s net interest income, which basically equals the difference between SEB’s earnings on lending to the general public (households, companies, etc.) and credit institutions, on the one hand, and its costs for deposits and borrowings from the public and credit institutions, on the other hand.

Net interest income improved during 2007 by 12 per cent. Lending margins were lower while the volume of new Swedish housing loans increased. Deposit margins improved following higher short-term rates. The customer-driven net interest income grew by 16 per cent.

#### Net fee and commission income

By tradition, commission income from various services such as equity trading, advisory services and credit and charge cards weighs more heavily in SEB than in other Swedish banks. This is due to the fact that the Bank, more than its competitors, has focused on services for large corporations and on wealth management. Net commission income was the Group’s single most important income item also in 2007.

During 2007, net fee and commission income increased by 6 per cent. SEB’s income from stock market trading and mutual fund management rose by 10 and 5 per cent, respectively.

#### Net financial income

This item includes both realised gains/losses in connection with the sale of shares, bonds and other financial instruments and the market value of unrealised changes in the value of the Group’s trading stock of securities. Both the trends in the financial markets and the general interest trend are of great importance in this connection. This item also includes the result from foreign exchange trading, where SEB has a very high share in Sweden.

Net financial income was negatively affected by the turbulent financial markets during the second half of 2007. This was due to widening credit spreads, which led to mark-to-market losses on the fixed-income securities portfolios.

### Profit and loss account

The year in figures

<table>
<thead>
<tr>
<th>Income statement</th>
<th>2007</th>
<th>2006</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>15,998</td>
<td>14,281</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>17,051</td>
<td>16,146</td>
<td>6</td>
<td></td>
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<tr>
<td>Net financial income</td>
<td>3,239</td>
<td>4,036</td>
<td>-20</td>
<td>-20</td>
</tr>
<tr>
<td>Net life insurance income</td>
<td>2,933</td>
<td>2,661</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Net other income</td>
<td>1,219</td>
<td>1,623</td>
<td>-25</td>
<td>-25</td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td>40,440</td>
<td>38,747</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>-14,921</td>
<td>-14,363</td>
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<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>-6,919</td>
<td>-6,887</td>
<td>0</td>
<td></td>
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<tr>
<td>Depreciation of assets</td>
<td>-1,354</td>
<td>-1,287</td>
<td>5</td>
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<tr>
<td><strong>Total operating expenses</strong></td>
<td>-23,194</td>
<td>-22,537</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Gains less losses from tangible and intangible assets</td>
<td>788</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net credit losses1)</td>
<td>-1,016</td>
<td>-718</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>17,018</td>
<td>15,562</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-3,376</td>
<td>-2,939</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>13,642</td>
<td>12,623</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

1) Including changes in value of seized assets
Net life insurance income
This item includes the sale of life insurance products, of which unit-linked insurance accounts for a very large share.
Life insurance income net increased by 10 per cent during 2007 compared with 2006, mainly due to increased unit-linked fund values.

Net other income
Under this heading capital gains and dividends, among other things are reported. The decrease reported for 2007 was mainly due to negative hedge accounting effects, which were partially offset by capital gains.

Net credit losses
The Group’s credit losses consist of both incurred losses and probable losses, where SEB has established that the counterparty will probably not be able to fulfil his payment obligations. Possible recoveries will affect net credit losses positively. During 2007 credit losses increased and the credit loss level remained low, at 0.11 per cent of lending. The increase in net credit losses was mainly due to higher collective provisioning following growing lending volumes and to continued macro-economic imbalances in the Baltic countries.

Operating profit
The operating profit increased by 9 per cent, to SEK 17,018m. Half of the profit was generated outside Sweden.

Cost level
Total expenses increased by 3 per cent during 2007. The increase was mainly due to higher staff and IT costs. IT costs increased due to investments in infrastructure and compliance with the new EU-directives, e.g. SEPA and MiFID.

Net profit for the year
Net profit for the year, that is operating profit after tax, increased by 8 per cent, to SEK 13,642m. This amount forms the basis for calculating earnings per share and proposed dividend to the shareholders.

Income distribution
In 2007 net interest income represented 40 per cent of SEB’s total operating income, compared with 37 per cent in 2006. Net fee and commission income was the largest income class and represented 42 per cent (42) of total operating income.

Operating profit
Operating profit for 2007 increased by 9 per cent, to SEK 17,018m.

Earnings per share for the year
Net profit for the year, that is operating profit after tax, amounted to SEK 13,642m. Calculated on an average number of 682 million shares shareholders’ share of the profit corresponded to SEK 19.97 in earnings per share.
Balance sheet

The book value of the Group’s assets, liabilities and equity is shown here.

### Assets

The most important items are lending to the general public (households, companies etc.) and to credit institutions, respectively, which together account for a little over 50 per cent of assets. Another important item consists of holdings of interest-bearing securities.

### Credit portfolio

Distribution per Category, total SEK 1,552bn

<table>
<thead>
<tr>
<th>Category</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property management</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Asset quality

Per cent

- Credit loss level
- Share of doubtful claims

The credit loss level, credit losses in relation to the Group’s lending etc., remained low, even if credit losses increased to 0.11 per cent during 2007 due to higher collective provisioning following uncertainty in the Baltic countries. The level of doubtful claims net in relation to the Group’s lending was 0.18 per cent.

### Liabilities and equity

Here, the most important items are liabilities to credit institutions and deposits/borrowing from the general public. Securities issued by SEB are important liabilities, too.

Total equity consists of the original share capital, capital contributions through new issues, net profit for the year and retained earnings (see further Section on Capital adequacy).

### Use of profits

The size of the dividend is determined by the SEB Group’s financial position and opportunities.

Shareholders’ share of the net profit for the year after tax of SEK 13,642m corresponds to SEK 19.97 per share. The Board of Directors proposes that SEK 4,467m of this, or SEK 6.50 per share, be distributed to the shareholders. Retained earnings are brought forward to next year.
Important key figures

Some key figures of importance for analysing the result are shown here.

### Return on equity

It is the goal of the SEB Group to achieve the highest earning capacity or return on shareholders’ equity among comparable banks. At the same time, profit growth shall be sustainable.

Calculated as follows, the earning capacity for 2007 was 19.3 per cent:

\[
\text{Return on equity} = \frac{\text{SEK 13,642m} \text{ (net profit for the year, that is profit after tax)}}{\text{SEK 70,561m} \text{ (average capital)}} = 19.3 \text{ per cent}
\]

### Cost/Income ratio

The Cost/Income ratio, that is the ratio between costs and income, is an important measurement of the Group’s efficiency. During 2007 the C/I-ratio was 0.57 (0.58).

### Capital adequacy

Shareholders’ equity constitutes the core of the capital base. In addition, SEB works with borrowed capital in the form of subordinated debt and bond loans that have been raised in the international capital market. Part of the subordinated debt may be included in the Bank’s capital base according to special rules. The size of the capital base is of decisive importance for how much the Bank is able to lend and invest in total.

The capital adequacy ratio shows the Group’s capital base (excluding insurance operations) in relation to business volumes (weighted according to special risk classes). The capital base consists mainly of two parts:

1. Shareholders’ equity, adjusted in accordance with the capital adequacy rules.
2. Borrowed capital in the form of subordinated debt that SEB has raised in the international capital market. This, too, is subject to special rules.

The legal requirement for the total capital ratio is 8 per cent and 4 per cent for the core capital ratio. SEB meets these requirements by a wide margin: At year-end 2007, the Group had a total capital ratio of 11.0 per cent and a core capital ratio of 8.6 per cent. The total capital ratio is calculated as follows:

\[
\text{Capital adequacy ratio} = \frac{\text{SEK 92,973m} \text{ (capital base)}}{\text{SEK 842,974m} \text{ (risk-weighted volumes)}} = 11.0 \text{ per cent}
\]

* of which, SEK 72.7bn was core capital

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**Key figures (extract from table on page 1)**

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity, %</td>
<td>19.3</td>
<td>20.8</td>
</tr>
<tr>
<td>Cost/income-ratio</td>
<td>0.57</td>
<td>0.58</td>
</tr>
<tr>
<td>Total capital ratio, incl net profit, %</td>
<td>11.04</td>
<td>11.47</td>
</tr>
</tbody>
</table>

1) 2007 Basel II; 2006 Basel I
SEB attaches great importance to the creation of clearly defined roles for officers and decision-making bodies. The structure of responsibility distribution and governance comprises:

- The Annual General Meeting
- The Board of Directors
- The President
- The divisions and support functions
- Internal Audit, Compliance and Risk Control.

Annual General Meeting
Shareholders’ influence on the Bank is exercised at the Annual General Meeting (AGM), which is the highest decision-making body of the Bank. All shareholders, who are registered in the Shareholders’ Register and have notified their attendance in time, have the right to participate in the AGM and to vote for the full number of their respective shares. Information about SEB’s largest shareholders is found on page 32.

Board of Directors
The Board members are appointed by the shareholders at the Annual General Meeting for a term of office that lasts until the next Annual General Meeting During 2007, twelve Board meetings were held. Essential matters dealt with included the following:

- Strategic direction of Group activities.
- Development of credit portfolio.
- Capital, risk and financing issues.
- Short/long-term compensation issues, succession planning, management supply.
- Issues concerning customer and staff satisfaction.
- Major investments and business acquisitions.
- Interim reports and annual report.
- Board committee reports.
- Evaluation of the work of the Board of Directors, the President and the Group Executive Committee.

Certain tasks of the Board of Directors are carried out in committee form. The Risk and Capital Committee is responsible for credit processes, credit policies and capital issues, among other things. The Audit and Compliance Committee is responsible for ensuring the quality of the Bank’s financial reporting and maintains contact with the external auditors of the Bank, etc. The Remuneration and Human Resources Committee handles issues concerning compensation to the President and certain other senior officers, incentive programmes, pension plans and management supply issues, among other things.

The President
The President is appointed by, and reports to, the Board of Directors. The President is responsible for the day-to-day management of Group activities in accordance with the guidelines of the Board of Directors and established policies. The President has three different committees at her disposal; the Group Executive Committee for...
business issues, the Group Credit Committee for credit issues and the Asset and Liability Committee for capital and risk issues.

**Divisions and support functions**

As from 1 January 2007 SEB’s activities are organised in four divisions, with underlying business areas: Merchant Banking, Retail Banking, Wealth Management and Life; plus three support functions which the divisions are sharing: Group operations, Group IT and Group Staff functions.

**Control functions**

The Group has three control functions: Internal Audit, Compliance Officers/Group Compliance Officer (compliance with rules and ethics) and Group Risk Control (supervision of credit, market, operational and liquidity risks).

**Compensation to the Board of Directors and Senior Officers**

SEB’s 2007 Annual General Meeting fixed a total remuneration amount of SEK 8,070,000 for the members of the Board, of which SEK 2,600,000 for the Chairman of the Board and SEK 1,800,000 for committee work.

The Annual General Meeting furthermore approved the Board’s proposal concerning compensation principles and other terms of employment for the President and the Group Executive Committee.

In addition, the Meeting decided to launch a long-term, performance-based incentive programme for 2007. The programme, which is based upon so-called performance shares, was directed at approximately 500 senior officers.

SEB applies the Swedish Code of Corporate Governance that became effective on 1 July, 2005. The entire corporate governance report is found in SEB’s annual report and on the Group’s homepage, www.sebgroup.com

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**Auditors**

*Elected by the Annual General Meeting*

PricewaterhouseCoopers

Peter Clemedtson
Born 1956; SEB’s signing auditor since 2006. Authorised Public Accountant.

Peter Nylinge
Born 1966; SEB’s co-signing auditor since 2006. Authorised Public Accountant.

*) For further information on the Board of Directors, see SEB’s printed annual report 2007, or www.sebgroup.com

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**Annika Falkengren**
Born 1962; elected 2005 President and CEO since November 2005.

**Marcus Wallenberg**

**Jesper Ovesen**
Born 1957; elected 2004.

**Magdalena Olofsson**
Born 1953; appointed 2003.

**Steven Kaempfer**
Born 1946; elected 2007.

**Dr Hans-Joachim Körber**
Born 1946; elected 2000.

**Tuve Johannesson**
The SEB share development in 2007

In 2007 the SEB Class A share dropped by 24 per cent after three years of significant increase. Earnings per share were SEK 19.97 (18.72). The proposed dividend is SEK 6.50 (6.00) per share.

Share capital

The SEB share is listed on the Stockholm Stock Exchange. The share capital amounts to SEK 6,872m, distributed on 687.2 million shares. The Class A share entitles to one vote and the Class C share to 1/10 of a vote.

Stock Exchange trading

2007 was an extremely volatile year on the Stockholm Stock Exchange. In April, the SEB Class A share reached all time high, at SEK 250.50. During 2007 as a whole, the value of the share decreased by 24 per cent, while the Swedish SIX General Index went down by 7 per cent and the European Banking Index by 17 per cent. During the year, the total turnover in SEB shares amounted to SEK 252bn. SEB thus remained one of the most traded companies on the Stockholm Stock Exchange. Market capitalisation by year-end was SEK 113bn.

Dividend policy

The size of the dividend in SEB is determined by the financial position and growth possibilities of the Group. SEB strives to achieve long-term growth based upon a capital base for the financial group of undertakings that must not be inferior to a core capital ratio of 7 per cent. The dividend per share shall, over a business cycle, correspond to around 40 per cent of earnings per share.

The total dividend amounts to SEK 4,467m, to be equivalent with SEK 6.50 per share.

The largest shareholders1)

<table>
<thead>
<tr>
<th>December 31, 2007</th>
<th>No. of shares</th>
<th>Of which series</th>
<th>Per cent of number of all shares</th>
<th>Per cent of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor AB</td>
<td>137,527,895</td>
<td>2,725,000</td>
<td>20.0</td>
<td>20.4</td>
</tr>
<tr>
<td>Trygg-Foundation</td>
<td>65,677,962</td>
<td>0</td>
<td>9.6</td>
<td>9.9</td>
</tr>
<tr>
<td>Alecta</td>
<td>24,478,611</td>
<td>733,611</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Swedbank Robur Funds</td>
<td>18,189,030</td>
<td>0</td>
<td>2.6</td>
<td>2.7</td>
</tr>
<tr>
<td>AFA Försäkring</td>
<td>17,193,326</td>
<td>875,560</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>SHB/SPP Funds</td>
<td>13,336,048</td>
<td>0</td>
<td>1.9</td>
<td>2.0</td>
</tr>
<tr>
<td>SEB Funds</td>
<td>10,463,138</td>
<td>0</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Wallenberg's foundations</td>
<td>10,330,389</td>
<td>5,871,173</td>
<td>1.5</td>
<td>0.8</td>
</tr>
<tr>
<td>Nordea Funds</td>
<td>9,319,136</td>
<td>0</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Skandia Liv</td>
<td>7,980,752</td>
<td>3,456,167</td>
<td>1.2</td>
<td>0.7</td>
</tr>
<tr>
<td>SHB</td>
<td>7,591,938</td>
<td>1,271,836</td>
<td>1.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Andra AP-fonden</td>
<td>6,815,335</td>
<td>0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Fjärde AP-fonden</td>
<td>6,730,077</td>
<td>0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>SEB-Foundation</td>
<td>6,715,993</td>
<td>105,000</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Första AP-fonden</td>
<td>5,719,046</td>
<td>0</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Foreign shareholders</td>
<td>160,057,954</td>
<td>1,797,727</td>
<td>23.6</td>
<td>24.2</td>
</tr>
</tbody>
</table>

1) According to the VPC-register, excluding SEB as shareholder through repurchased shares to hedge employee stock option program and for capital management.

Source: SIS Ägarservice

SEB share

<table>
<thead>
<tr>
<th>Data per share</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings, SEK</td>
<td>19.97</td>
<td>18.72</td>
<td>12.58</td>
<td>10.83</td>
<td>9.44</td>
</tr>
<tr>
<td>Diluted earnings, SEK</td>
<td>19.88</td>
<td>18.53</td>
<td>12.47</td>
<td>10.82</td>
<td>9.40</td>
</tr>
<tr>
<td>Shareholders’ equity, SEK</td>
<td>111.97</td>
<td>98.98</td>
<td>84.84</td>
<td>77.31</td>
<td>70.10</td>
</tr>
<tr>
<td>Adjusted shareholders’ equity</td>
<td>127.24</td>
<td>112.66</td>
<td>96.44</td>
<td>85.66</td>
<td>75.53</td>
</tr>
<tr>
<td>Net worth, SEK</td>
<td>127.44</td>
<td>115.90</td>
<td>102.19</td>
<td>89.50</td>
<td>78.03</td>
</tr>
<tr>
<td>Cash flow, SEK</td>
<td>177.15</td>
<td>6.32</td>
<td>21.07</td>
<td>4.95</td>
<td>4.24</td>
</tr>
<tr>
<td>Dividend per A and C share, SEK</td>
<td>6.50</td>
<td>6.00</td>
<td>4.75</td>
<td>4.35</td>
<td>4.00</td>
</tr>
<tr>
<td>Year-end market price per Class A share, SEK</td>
<td>165.50</td>
<td>217.50</td>
<td>163.50</td>
<td>128.50</td>
<td>106.00</td>
</tr>
<tr>
<td>per Class C share, SEK</td>
<td>154.00</td>
<td>209.00</td>
<td>158.00</td>
<td>124.50</td>
<td>96.50</td>
</tr>
<tr>
<td>Highest price paid during the year per Class A share, SEK</td>
<td>250.50</td>
<td>220.00</td>
<td>165.50</td>
<td>131.00</td>
<td>107.00</td>
</tr>
<tr>
<td>per Class C share, SEK</td>
<td>240.00</td>
<td>212.50</td>
<td>159.50</td>
<td>126.50</td>
<td>96.50</td>
</tr>
<tr>
<td>Lowest price paid during the year per Class A share, SEK</td>
<td>156.50</td>
<td>125.00</td>
<td>122.50</td>
<td>99.50</td>
<td>66.50</td>
</tr>
<tr>
<td>per Class C share, SEK</td>
<td>147.50</td>
<td>145.50</td>
<td>118.00</td>
<td>92.50</td>
<td>61.00</td>
</tr>
<tr>
<td>Dividend as a percentage of result for the year, %</td>
<td>32.6</td>
<td>32.0</td>
<td>37.8</td>
<td>40.2</td>
<td>42.6</td>
</tr>
<tr>
<td>Yield, %</td>
<td>3.9</td>
<td>2.8</td>
<td>2.9</td>
<td>3.4</td>
<td>3.8</td>
</tr>
<tr>
<td>P/E</td>
<td>8.3</td>
<td>11.6</td>
<td>13.0</td>
<td>11.9</td>
<td>11.2</td>
</tr>
<tr>
<td>Number of issued shares, million average</td>
<td>682.0</td>
<td>673.3</td>
<td>667.8</td>
<td>679.8</td>
<td>693.5</td>
</tr>
<tr>
<td>at year-end</td>
<td>683.5</td>
<td>678.3</td>
<td>668.8</td>
<td>668.5</td>
<td>691.4</td>
</tr>
</tbody>
</table>

1) According to the VPC-register, excluding SEB as shareholder through repurchased shares to hedge employee stock option program and for capital management.

Source: SIS Agarservice

SEB Share, logarithmic scale.

Price equals last closing price paid on last day of each month.

SIX General Index

European Bank Index (FTSE)

Number of shares traded, in thousands, linear scale (incl. after-hours transactions)
Annual General Meeting
The Annual General Meeting will be held on Tuesday 8 April, 2008 at 2 p.m. (Swedish time) at Stockholm Concert Hall.

Notices convening the General Meeting including an agenda for the Meeting will be published in the major Swedish daily newspapers and on www.sebgroup.com on Friday 7 March 2008. Shareholders wishing to attend the Annual General Meeting shall
– both be registered in the shareholders’ register kept by VPC (the Swedish Securities Register Centre) on Wednesday 2 April, 2008, at the latest
– and notify the Bank in writing under address Skandinaviska Enskilda Banken AB, Box 47011, SE-100 74 Stockholm, or by telephone 0771-23 18 18 between 9.00 a.m. and 4.30 p.m. in Sweden or, from abroad, at +46 771 23 18 18 or via Internet on the home page of the Bank, www.sebgroup.com, on Wednesday 2 April, 2008 at the latest.

Dividend
The Board proposes a dividend of SEK 6.50 per share. The share is traded ex dividend on Wednesday 9 April, 2008. Friday 11 April, 2008 is proposed as record date for the dividend payments.

If the Annual General Meeting resolves in accordance with the proposals, dividend payments are expected to be distributed by VPC on Wednesday 16 April, 2008.
SEB in brief

- SEB provides 2,500 large companies and institutions, 400,000 small and medium-sized companies and five million private customers with financial solutions.

- SEB is represented in 20 countries, with 20,000 employees, of whom half are working outside Sweden.

- SEB has a leading position as a financial partner to major companies, financial institutions and demanding private individuals in the Nordic area and a leading position as a universal bank in the Baltic countries. SEB has furthermore a leading position within unit-linked insurance and asset management in the Nordic region and is one of ten banks with a nation-wide network of branch offices in Germany.

- SEB has received top rankings within several areas, such as foreign exchange research (where SEB was ranked as the best bank in the world in 2007), cash management (ranked No. 1 in Europe and No. 2 globally), equity research and mutual fund management.

- SEB is the market leader in the area of card services in the Nordic area with such brands as Eurocard, MasterCard and Diners Club.

- SEB occupies a leading position in the savings market and within life insurance and is leading within unit-linked insurance in Sweden, Denmark and the Baltic countries.

- SEB is the most important broker on the Nordic stock exchanges in total.

- Since 1997 SEB supports the Mentor foundation, which is engaged in drug prevention activities for pupils at the senior level of the compulsory school.

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