

Interim report Jan-Sept 2006

PRESS RELEASE

STOCKHOLM 27 OCTOBER 2006

High and stable operating profit - SEK 3.9bn

- Operating profit for the third quarter amounted to SEK 3,862m, an increase of 28 per cent compared with the corresponding quarter of 2005 and in line with the previous quarter. Net profit (i.e. profit after tax) increased to SEK 3,059m.
- Revenues significantly higher than last year and almost in line with the previous quarter despite lower customer activity levels due to normal seasonal effects.
- Costs lower than in recent quarters.
- Operating profit for January-September 2006 increased by 32 per cent, to SEK 11,438m. Net profit rose by 36 per cent, to SEK 8,833m.
- Return on equity was 19.9 per cent (16.5) and earnings per share increased to SEK 13.13 (9.71). Cost/income ratio improved to 0.59 (0.62).
- Increased sales efforts with several new product offerings in order to further improve customer satisfaction.
- SEB's long-term rating upgraded to A+ from A by Standard & Poor's.

President's comments

SEB's quarterly net profit exceeded SEK 3bn for the first time. Return on equity was close to 20 per cent and profit growth remained strong. Even though costs were higher than last year they were down for the third consecutive quarter - our efforts to improve operational efficiency continue.

A strong business climate in combination with SEB's diversified platform in terms of business-mix and geography has proved successful. On an overall basis business volumes remained on a high level, with stable margins. Eastern European Banking and Life both reached higher profit levels. Asset Management and Merchant Banking showed robust results. Nordic Retail & Private Banking continued to launch easy and accessible products. The division's result was affected by lower market activity levels during the summer months. Results of the German division remained on a low level.

The 150 year anniversary has created many opportunities to meet with our customers and strengthen business relations.

SEB's aim is to be leading in terms of customer satisfaction and financial performance. Customer satisfaction has improved and we continue towards the target to become No. 1 within all chosen segments. As regards financial performance, we are moving in the right direction, manifested by increased return on equity, profit growth and improved credit rating. The next step in creating "One SEB" is to integrate business in order to reach the long-term targets. The new structure, as presented in September - four customer driven divisions and three support functions - will further develop SEB's customer offerings, increase efficiency and facilitate continued profit growth within the Group's areas of strength.

The Group

Third quarter isolated

Net profit in excess of SEK 3bn

SEB's *operating profit* for the third quarter amounted to SEK 3,862m. This was an increase of 28 per cent compared with the corresponding quarter of 2005 and a slight decrease from the previous quarter.

Net profit (after tax) was SEK 3,059m, an improvement of 37 per cent compared with the corresponding quarter in 2005 and 4 per cent better than for the previous quarter.

Total operating income amounted to SEK 9,442m. This was an increase of 14 per cent compared with the corresponding quarter of last year, but a decrease of 3 per cent from the second quarter of 2006 as an effect of normal seasonal variations.

Net interest income was somewhat lower than in the previous quarter, due to increased short-term interest rates. Deposit and lending volumes increased slightly during the quarter. Margins remained relatively stable.

Net fee and commission income rose by 10 per cent compared with the corresponding quarter in 2005. In comparison with the transaction-intensive second quarter, commission income fell by 8 per cent, mainly due to lower equity brokerage income. Net sales of asset management products were strong.

Net life insurance income continued to improve, whereas *Net financial income* was lower than in the previous quarter.

Net other income included one-offs of approximately SEK 200m.

Total operating expenses amounted to SEK 5,450m. This was an increase of 7 per cent compared with the corresponding quarter in 2005 and a decrease of 3 per cent from the previous quarter.

Net credit losses were slightly lower than in previous quarters, at SEK 136m.

The first three quarters

Improved operating profit

Operating profit for January-September 2006 increased by SEK 2.7bn or 32 per cent, to SEK 11,438m (8,693).

Approximately 55 per cent of this was generated outside Sweden.

Net profit rose by 36 per cent to SEK 8,833m (6,501).

Income up by 16 per cent

Total operating income increased by SEK 4bn or 16 per cent to SEK 28,743m (24,690).

Net interest income rose to SEK 10,677m (10,479). Low margins and negative effects from higher interest rates were offset by increased volumes.

Net fee and commission income amounted to SEK 11,872m (9,664), an increase of 23 per cent compared with the corresponding period in 2005. All commission income categories increased significantly compared with last year.

This was particularly evident for securities commissions, which increased by 31 per cent, advisory, up by 58 per cent and cards, up by 11 per cent.

Net financial income rose to SEK 2,916m (2,502). The improvement was an effect of high customer-driven business within the trading and capital markets area.

Net life insurance income increased by 13 per cent, to SEK 1,929m (1,708), principally as a result of higher unit-linked volumes. A complete description of SEB Trygg Liv's operations, including changes in surplus values, is found in "Additional information" on www.sebgroup.com.

Net other income increased to SEK 1,349m (337), mainly due to higher capital gains and positive effects from hedge accounting.

Costs impacted by high activities and revenues

Total operating expenses amounted to SEK 16,857m (15,420), an increase of SEK 1.4bn or 9 per cent compared with the corresponding period of last year. The increase was mainly an effect of high business and customer activities leading to increased operating costs including higher performance-related remuneration and external distribution costs/fees. Excluding these effects and acquisitions, expenses increased by 5 per cent.

Staff costs rose by 4 per cent excluding performance-related remuneration and expansion outside Sweden. Including these effects, total staff costs amounted to SEK 10,628m (9,576). The average number of full time equivalents in January-September 2006 increased to 19,682 (18,876), of which 650 due to acquisitions and growth in Eastern Europe.

Other expenses rose by 8 per cent, to SEK 5,920m (5,479), mainly due to increased costs for IT, marketing and distribution fees to insurance brokers.

External IT costs amounted to SEK 1,349m (1,278). Total IT costs (defined as a calculated cost for all IT-related activities including costs for own personnel) were SEK 3.1bn (3.1).

Low credit loss level

The Group's *net credit losses*, including changes in the value of assets taken over, decreased to SEK 496m (583). The credit loss level was 0.07 per cent (0.10). Asset quality remained stable.

Reduced tax rate

Total tax costs amounted to SEK 2,605m (2,210). The total tax rate was 22.8 per cent (25.4). The reduced tax rate compared with last year was mainly due to improved results of business operations subject to a lower tax rate and increased non-taxable income.

The expected tax rate for 2006 is around 23 per cent.

Strong inflow of assets under management

As of 30 September 2006, assets under management totalled SEK 1,208bn, an increase of 8 per cent compared with year-end 2005. Net inflow during the period was high, at SEK 47bn (36), while the increase in value was SEK 40bn

(141). The dominating part of the net inflow emanated from Sweden and Finland. SEB's market share of net sales of mutual funds in Sweden increased to 31 per cent as of 30 September.

Assets under custody amounted to SEK 4,700bn, an increase of 18 per cent compared with year-end 2005.

Balance sheet

Total assets decreased somewhat during the third quarter due to lower securities holdings and negative currency effects. Still, the Group's total balance sheet of SEK 1,954bn as per 30 September represented an increase of 4 per cent since year-end 2005 due to higher lending and trading volumes. Lending increased by SEK 25bn to SEK 926bn and deposits by SEK 55bn to SEK 626bn.

Credit portfolio

Total credit exposure, including contingent liabilities and derivatives contracts, amounted to SEK 1,331bn (1,328 at year-end 2005), of which loans and leasing excluding repos amounted to SEK 957bn (930). The strengthening of the Swedish krona, particularly against the U.S. dollar, affected volume negatively. Credit growth was mainly related to the Nordic household sector and to the Baltic banks.

On 30 September, *impaired loans*, gross, totalled SEK 8,673m (9,101), of which SEK 7,487m (7,957) were non-performing (loans where interest and amortisation are not paid) and SEK 1,186m (1,144) performing loans. The reserve ratio was 77.5 per cent (77.7).

The volume of assets taken over was SEK 133m (165).

Market risk

The Group's risk-taking in trading operations is measured in a Value at Risk model (VaR). During the first nine months of 2006, VaR averaged SEK 102m (64 during the calendar year 2005). This means that the Group on average, with 99 per cent probability, would not expect to lose more than this amount during a ten-day period. The increase was a result of higher market volatility.

Capital base and capital adequacy

As of 30 September 2006 the capital base of the financial group of undertakings (i.e. excluding insurance companies) was SEK 80.3bn (76.3 at year end 2005). Core capital was SEK 58.7bn (53.1), of which SEK 8.1bn (8.0) constituted core capital contribution.

Total risk-weighted assets (RWA) amounted to SEK 743bn (705 at year end 2005). This represents a continued increase in business volumes, albeit at a lower pace than during the first part of the year. The divestiture of BOS Bank in July also meant a reduction of RWA of SEK 11bn. The earlier communicated sale of 3 million own shares, in excess of needs for the hedging of SEB's long-term incentive programmes, was completed in the third quarter. The sale increased the Group's equity by SEK 579m.

The *core capital ratio* was 7.9 per cent (7.5) and the *total capital ratio* 10.8 per cent (10.8).

Investments and divestments

In September, SEB completed the acquisition of the Danish asset management company Prime Management.

After SEB's divestment of its 47.3 per cent holding in BOS Bank in July, the Group's operations in Poland comprise a newly opened branch in Warsaw, the wholly-owned fund management company SEB TFI and leasing operations. Work is under way for a private banking unit that will become operational before year-end 2006.

The process to dispose properties owned by SEB's subsidiary banks in the Baltic countries continues. The sale is planned to be completed in 2007.

Group Executive Committee changes

Per-Arne Blomquist, former Head of Group Finance, is new Chief Financial Officer (CFO) as from 1 October.

Fredrik Boheman, Head of SEB in Germany up to year-end 2006, is new Head of SEB Asset Management as from 1 October and of Wealth Management as from 1 January 2007.

Mats Kjaer, at present Head of the Eastern European Banking division, has been appointed Head of New Markets and Senior Advisor to the CEO.

Hans Larsson, former Head of Business Development, is new Head of Group Staff as from 1 October.

Bo Magnusson, at present Head of Nordic Retail & Private Banking, has been appointed Head of the new Retail Banking division as from 1 January 2007.

Nils-Fredrik Nyblaeus, former CFO and Head of Group Staff, has been appointed Senior Advisor to the CEO.

The Group Executive Committee will as of 1 January 2007 comprise Annika Falkengren, Per Arne Blomquist, Fredrik Boheman, Magnus Carlsson, Hans Larsson, Bo Magnusson and Anders Mossberg.

New Group structure as from 1 January 2007

As earlier announced SEB has decided to strengthen its customer offerings, increase efficiency and facilitate further growth in areas of strength by introducing a new Group structure as from January, 2007. SEB's retail units in Sweden, Estonia, Latvia, Lithuania and Germany will be integrated into one Retail Banking division. The SEB Asset Management division and the Private Banking business area will be integrated in a Wealth Management division. The new structure will also enhance possibilities of providing wholesale banking to clients in the Baltic countries.

In order to streamline operations and facilitate the creation of "One SEB" three cross-divisional support functions - Group Operations, Group IT and Group Staff - will be formed.

Stockholm, 27 October 2006

Annika Falkengren

President and Chief Executive Officer

This Interim Report has been prepared in accordance with International Financial Reporting Standards IFRS/IAS, endorsed by the European Commission. The interim report thus complies with IAS 34 Interim Financial Reporting. The accounting regulations of the Swedish Financial Supervisory Authority require some additional disclosures.

The same accounting policies and methods of computation as those applied to the most recent annual financial statements are applied to the interim financial statements.

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

Appendix 1	SEB Trygg Liv
Appendix 2	Credit exposure
Appendix 3	Capital base
Appendix 4	Market risk
Appendix 5	Quarterly accounts
Appendix 6	Skandinaviska Enskilda Banken (parent company)

Financial information during 2006-2007

11 December	Capital Markets Day in London
9 February	Annual Accounts for 2006
28 March	Annual General Meeting in Stockholm
4 May	Interim Report January-March
19 July	Interim Report January-June
26 October	Interim Report January-September

The full report includes information on Skandinaviska Enskilda Banken AB (publ) and SEB Trygg Liv, presented in "Additional information". All information is found at www.sebgroup.com.

A tax rate of 28 per cent has previously been used for return calculations for all divisions. However, from the beginning of 2006 an estimated tax rate, better reflecting a division's actual tax rate, is used. Comparative figures have been adjusted accordingly.

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Review Report

We have reviewed the interim report for the period 1 January, 2006-30 September, 2006 for Skandinaviska Enskilda Banken AB (publ). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, 27 October 2006

PricewaterhouseCoopers AB

Peter Clemedtson	Göran Jacobsson	Ulf Davéus
Authorised Public Accountant	Authorised Public Accountant	Authorised Public Accountant
Partner in charge		Appointed by the Financial Supervisory Authority

The SEB Group

Income statement – SEB Group

Condensed SEKm	Q3			Q2			Q3			Jan - Sep			Full year 2005
	2006	2006	%	2005	%	2006	2005	%	2006	2005	%		
Net interest income	3 503	3 578	-2	3 508	0	10 677	10 479	2	14 282				
Net fee and commission income	3 772	4 107	-8	3 416	10	11 872	9 664	23	13 559				
Net financial income	890	1 047	-15	588	51	2 916	2 502	17	3 392				
Net life insurance income	739	607	22	594	24	1 929	1 708	13	2 352				
Net other income	538	352	53	195	176	1 349	337		642				
Total operating income	9 442	9 691	-3	8 301	14	28 743	24 690	16	34 227				
Staff costs	-3 443	-3 463	-1	-3 220	7	-10 628	-9 576	11	-13 342				
Other expenses	-1 820	-2 101	-13	-1 712	6	-5 920	-5 479	8	-8 383				
Net deferred acquisition costs	45	144	-69	60	-25	356	278	28	477				
Depreciation, amortisation and impairments of tangible and intangible assets	-232	-217	7	-217	7	-665	-643	3	-901				
Total operating expenses	-5 450	-5 637	-3	-5 089	7	-16 857	-15 420	9	-22 149				
Gains less losses from tangible and intangible assets	6	14	-57	-2		48	6		59				
Net credit losses incl. changes in value of seized assets	-136	-162	-16	-190	-28	-496	-583	-15	-914				
Operating profit*	3 862	3 906	-1	3 020	28	11 438	8 693	32	11 223				
Income tax expense	-803	-959	-16	-791	2	-2 605	-2 210	18	-2 770				
Net profit from continuing operations	3 059	2 947	4	2 229	37	8 833	6 483	36	8 453				
Discontinued operations				-1	-100		18	-100	-32				
Net profit	3 059	2 947	4	2 228	37	8 833	6 501	36	8 421				
Attributable to minority interests	6	4	50	5	20	15	15		20				
Attributable to equity holders **	3 053	2 943	4	2 223	37	8 818	6 486	36	8 401				
* SEB Trygg Liv's operating profit	453	295	54	252	80	1 031	665	55	933				
Change in surplus values, net	381	493	-23	325	17	1 296	637	103	1 280				
SEB Trygg Liv's business result	834	788	6	577	45	2 327	1 302	79	2 213				
** Basic earnings per share from continuing operations, SEK	4.54	4.38		3.33		13.13	9.69		12.63				
** Diluted earnings per share from continuing operations, SEK	4.48	4.35		3.29		12.99	9.55		12.52				

Key figures - SEB Group

	Q3	Q2	Q3	Jan - Sep		Full year
	2006	2006	2005	2006	2005	2005
Return on equity, %	19.9	20.2	16.5	19.9	16.5	15.8
Return on total assets, %	0.62	0.59	0.49	0.60	0.50	0.48
Return on risk-weighted assets, %	1.64	1.58	1.34	1.60	1.38	1.31
Basic earnings per share, SEK	4.54	4.38	3.33	13.13	9.71	12.58
Basic earnings per share from continuing operations, SEK	4.54	4.38	3.33	13.13	9.69	12.63
Basic earnings per share from discontinued operations, SEK	0.00	0.00	0.00	0.00	0.03	-0.05
Weighted average number of shares, millions*	673	672	668	672	668	668
Diluted earnings per share, SEK	4.48	4.35	3.28	12.99	9.58	12.47
Diluted earnings per share from continuing operations, SEK	4.48	4.35	3.29	12.99	9.55	12.52
Diluted earnings per share from discontinued operations, SEK	0.00	0.00	0.00	0.00	0.03	-0.05
Weighted average number of diluted shares, millions**	681	677	677	679	677	674
Cost/income ratio	0.58	0.58	0.61	0.59	0.62	0.65
Credit loss level, %	0.06	0.07	0.09	0.07	0.10	0.11
Reserve ratio for impaired loans, %	77.5	79.0	81.1	77.5	81.1	77.7
Level of impaired loans, %	0.21	0.20	0.19	0.21	0.19	0.22
Total capital ratio, incl net profit, %	10.81	10.43	10.13	10.81	10.13	10.83
Core capital ratio, incl net profit, %	7.90	7.50	7.77	7.90	7.77	7.53
Risk-weighted assets, SEK billion	743	747	679	743	679	705
Number of full time equivalents, average	19 791	19 965	19 093	19 682	18 876	18 948
Number of e-banking customers, thousands	2 523	2 443	2 233	2 523	2 233	2 233
Assets under management, SEK billion	1 208	1 086	1 062	1 208	1 062	1 118

* Issued number of shares was 687,156,631 at year-end 2005. SEB then owned 18.4 million Class A shares for the employee stock option programme. During 2006 5.0 million of these shares have been sold as employee stock options have been exercised. In addition 3.1 million shares have been sold in accordance with decision at the AGM. Thus, as of 30 September SEB owned 10.3 million Class A-shares with a market value of SEK 2,032m.

** Calculated dilution based on the estimated economic value of outstanding employee stock options.

Income statement, quarterly basis - SEB Group

SEKm	2006:3	2006:2	2006:1	2005:4	2005:3
Net interest income	3 503	3 578	3 596	3 803	3 508
Net fee and commission income	3 772	4 107	3 993	3 895	3 416
Net financial income	890	1 047	979	890	588
Net life insurance income	739	607	583	644	594
Net other income	538	352	459	305	195
Total operating income	9 442	9 691	9 610	9 537	8 301
Staff costs	-3 443	-3 463	-3 722	-3 766	-3 220
Other expenses	-1 820	-2 101	-1 999	-2 904	-1 712
Net deferred acquisition costs	45	144	167	199	60
Depreciation, amortisation and impairments of tangible and intangible assets	- 232	- 217	- 216	- 258	- 217
Total operating expenses	-5 450	-5 637	-5 770	-6 729	-5 089
Gains less losses from tangible and intangible assets	6	14	28	53	- 2
Net credit losses**	- 136	- 162	- 198	- 331	- 190
Operating profit*	3 862	3 906	3 670	2 530	3 020
Income tax expense	- 803	- 959	- 843	- 560	- 791
Net profit from continuing operations	3 059	2 947	2 827	1 970	2 229
Discontinued operations				- 50	- 1
Net profit	3 059	2 947	2 827	1 920	2 228
Attributable to minority interests	6	4	5	5	5
Attributable to equity holders***	3 053	2 943	2 822	1 915	2 223
* SEB Trygg Liv's operating profit	453	295	283	268	252
Change in surplus values, net	381	493	422	643	325
SEB Trygg Liv's business result	834	788	705	911	577
** Including change in value of seized assets					
*** Basic earnings per share from continuing operations, SEK	4.54	4.38	4.22	2.94	3.33
Diluted earnings per share from continuing operations, SEK	4.48	4.35	4.17	2.96	3.29

Income statement, by Division - SEB Group

Jan-Sep 2006, SEKm	SEB Merchant Banking	Nordic Retail & Private Banking	German Retail & Mortgage Banking	Eastern European Banking	SEB Asset Manage- ment	SEB Trygg Liv*	Other incl elimi- nations	SEB Group
Net interest income	3 553	3 489	1 991	1 824	74	- 10	- 244	10 677
Net fee and commission income	4 249	3 472	1 057	824	1 743		527	11 872
Net financial income	2 419	175	78	273	9		- 38	2 916
Net life insurance income				79		2 453	- 603	1 929
Net other income	542	141	263	49	9		345	1 349
Total operating income	10 763	7 277	3 389	3 049	1 835	2 443	- 13	28 743
Staff costs	-3 289	-2 327	-1 552	- 755	- 537	- 723	-1 445	-10 628
Other expenses	-2 002	-2 055	- 872	- 478	- 343	-1 008	838	-5 920
Net deferred acquisition costs				- 1		356	1	356
Depreciation, amortisation and impairments of tangible and intangible assets	- 48	- 58	- 193	- 155	- 13	- 37	- 161	- 665
Total operating expense	-5 339	-4 440	-2 617	-1 389	- 893	-1 412	- 767	-16 857
Gains less losses from tangible and intangible assets		29	- 18	36			1	48
Net credit losses**	- 83	- 117	- 239	- 58			1	- 496
Operating profit	5 341	2 749	515	1 638	942	1 031	- 778	11 438

* Business result in SEB Trygg Liv amounted to SEK 2,327m (1,302), of which change in surplus values was net SEK 1,296m (637).

** Including change in value of seized assets.

SEB Merchant Banking

This division is responsible for large and medium-sized corporations, financial institutions and commercial real estate clients.

It comprises customers' trading (in currencies, fixed income and equities), lending, structured finance, import and export finance, custody, cash management and corporate finance, and operates in 13 countries.

Profit and loss account

SEK m	Q3			Q2		Q3		Jan-Sep			Full year
	2006	2006	%	2005	%	2006	2005	%	2005		
Net interest income	1 098	1 235	-11	1 235	-11	3 553	3 507	1	4 827		
Net fee and commission income	1 353	1 462	-7	1 169	16	4 249	3 294	29	4 649		
Net financial income	697	841	-17	461	51	2 419	1 773	36	2 498		
Net other income	180	191	-6	43		542	84		181		
Total operating income	3 328	3 729	-11	2 908	14	10 763	8 658	24	12 155		
Staff costs	-1 046	-973	8	-1 037	1	-3 289	-3 114	6	-4 309		
Other expenses	-677	-742	-9	-544	24	-2 002	-1 696	18	-2 398		
Depreciation of assets	-18	-13	38	-18		-48	-54	-11	-92		
Total operating expenses	-1 741	-1 728	1	-1 599	9	-5 339	-4 864	10	-6 799		
Profit before credit losses etc	1 587	2 001	-21	1 309	21	5 424	3 794	43	5 356		
Gains less losses on assets									1		
Net credit losses	-35	-48	-27	20		-83	2		-24		
Operating profit	1 552	1 953	-21	1 329	17	5 341	3 796	41	5 333		
Cost/Income ratio	0,52	0,46		0,55		0,50	0,56		0,56		
Business equity, SEK bn	20,9	20,9		18,0		20,9	17,5		18,0		
Return on equity, %	21,4	26,9		21,3		24,5	20,8		21,3		
Number of full time equivalents, average	3 179	3 251		3 388		3 196	3 390		3 392		

High returns and strong income generation

Despite lower levels of market activity during the summer period, Merchant Banking delivered an operating profit for the third quarter of SEK 1,552m. This was 21 per cent lower than in the preceding quarter, which included SEK 181m of non-recurring income. Operating profit increased by 17 per cent compared to the corresponding quarter in 2005.

Net interest income was 11 per cent lower than the previous quarter. However, accumulated for the first nine months of the year net interest income was 1 per cent higher than for the corresponding period in 2005. Lending margins and loan volumes were stable and credit losses remained low.

Underlying cost development within the division was stable. Operating expenses were in line with the previous quarter and 9 per cent higher than in the third quarter last year.

The result for the first nine months was 41 per cent higher than January-September 2005, with an operating profit of SEK 5,341m (3,796). Income increased by SEK 2.1bn and costs by SEK 475m. The cost increase was primarily due to higher performance-based remuneration resulting from increased profits.

The division continues to develop positively in all its main markets. In particular in Denmark, Finland, Germany and Norway, SEB has broadened its base of corporate banking relationships, diversifying its sources of revenue.

Robust performance while markets take stock

For the division as a whole, the third quarter saw good customer activity and business volumes although at a lower level than in the preceding quarter. The general elections in September in Sweden resulted in many investors adopting a wait-and-see attitude.

After a slowdown, Nordic equity markets were characterised by high volumes in the latter part of the quarter. Improved investor sentiment meant stock market valuations increased strongly, recovering from the lower levels seen in late spring. By the end of the period, the Swedish stock market index had reached a five-year high.

Income from SEB's trading and capital markets related business units was lower than in the exceptionally profitable first six months of the year but in line with the strong performance of the third quarter of 2005.

Actual and anticipated corporate M&A as well as potential privatisations in Sweden led to increased market activity in the final weeks of the quarter, creating strong commission generation and demand for securities financing.

In the loan markets, SEB maintained its position as the number one bookrunner of syndicated loans in the Nordic region. The leveraged loan segment remains buoyant, reflecting strong ongoing private equity activity. As a consequence of long standing support, including

mezzanine financing of its client Carpark, SEB was able to participate in the successful sale of the company by owners Bridgepoint Capital.

In Germany, SEB acted as joint lead manager on the securitisation of a EUR 1bn auto loans portfolio on behalf of Volkswagen Bank GmbH. The transaction was successfully placed with a broad European investor base. The strengthened focus on high-yield bonds in Norway resulted in several successful transactions during the third quarter.

SEB's share of the domestic structured products market in Sweden was relatively stable at 18 per cent. Going forward, SEB will continue to focus on expanding its structuring capacities.

Enhanced performance through integrated offering

SEB's commercial real estate business received top rankings from Euromoney which credited SEB as both the leading commercial bank and the leading investment bank for real estate in the Nordic and Baltic region. The integration of Enskilda Securities within Merchant Banking has enabled SEB to successfully combine specialist real estate corporate finance competence with strong debt structuring capacity.

Demand for corporate finance advice remained high during the third quarter. SEB Enskilda Corporate Finance was the leading advisor on completed Nordic M&A transactions and IPOs in the first nine months of the year. During the period, SEB Enskilda Corporate Finance was advisor to Securitas, among many other deals, on its spin-off and subsequent listing of Securitas Systems and Securitas Direct and advised Tholstrup International in its sale of the Danish cheese and pasta producer, Tholstrup Cheese, to Arla Foods.

Attractive regional platform

SEB's strategy to act as an integrated provider of transactional banking services and a single point of access to the Nordic and Baltic markets continues to deliver large numbers of multi-country mandates for custody and cash management.

Industry rankings reflect this positive momentum. SEB was ranked first in Europe by Euromoney for overall customer satisfaction and first globally for overall commitment to the cash management business. For securities services, SEB was voted best in class in the Nordic countries in Global Custodian Magazine's 2006 Agent Bank Review.

Assets under custody increased by 9 per cent compared to the previous quarter as a result of increased valuations and net inflows. At the end of the third quarter, assets under custody reached SEK 4,700bn (4,000). The average daily number of transactions during the period was lower than in the preceding quarter, reflecting lower turnover in securities markets, especially during August. Assets administered by SEB's Luxembourg-based fund services unit reached SEK 15.4bn (14.4).

SEB's leasing and factoring business SEB Finans commenced new activities in both Germany and Denmark during the quarter. Both markets have significant potential for expansion of leasing and factoring activities.

Note: Following the integration of Enskilda Securities with Merchant Banking, the financial result of the former Enskilda Securities businesses has been combined with the result of the other parts of SEB Merchant Banking, reflecting the present organisational structure.

Nordic Retail & Private Banking

This division serves 1.6 million private customers and 137,000 small and medium-sized companies, of which more than half are using the Internet services of the Bank. The majority of the customers are found in Sweden. In the Nordic area SEB has a total of 3 million charge, credit and bank cards outstanding. The business areas of the division are Retail Banking, Private Banking and SEB Kort (cards). In Sweden, SEB has approximately 200 branch offices and offers service around the clock via the Internet and by telephone. Private Banking is an asset manager for 14,000 private customers, foundations and companies in Sweden as well as for customers in a number of places in Europe and in Singapore.

Profit and loss account

SEK m	Q3		Q2		Q3		Jan-Sep			Full year
	2006	2006	%	2005	%	2006	2005	%	2005	
Net interest income	1 192	1 172	2	1 162	3	3 489	3 353	4	4 558	
Net fee and commission income	1 037	1 224	-15	1 077	-4	3 472	3 134	11	4 437	
Net financial income	47	73	-36	51	-8	175	128	37	200	
Net other income	81	34	138			141	41		71	
Total operating income	2 357	2 503	-6	2 290	3	7 277	6 656	9	9 266	
Staff costs	-810	-770	5	-753	8	-2 327	-2 181	7	-3 032	
Other expenses	-612	-739	-17	-638	-4	-2 055	-1 943	6	-2 691	
Depreciation of assets	-17	-24	-29	-12	42	-58	-38	53	-53	
Total operating expenses	-1 439	-1 533	-6	-1 403	3	-4 440	-4 162	7	-5 776	
Profit before credit losses etc	918	970	-5	887	3	2 837	2 494	14	3 490	
Gains less losses on assets						29			1	
Net credit losses	-34	-28	21	-53	-36	-117	-149	-21	-192	
Operating profit	884	942	-6	834	6	2 749	2 345	17	3 299	
Cost/Income ratio	0,61	0,61		0,61		0,61	0,63		0,62	
Business equity, SEK bn	13,6	13,6		13,1		13,6	11,8		12,2	
Return on equity, %	18,7	19,9		18,3		19,4	19,0		19,5	
Number of full time equivalents, average	4 705	4 835		4 714		4 765	4 656		4 657	

Enhanced customer offerings

The division strengthened its market shares within mortgage loans and consumer credits. However, in comparison with the first half of 2006 lower stock market activity prevailed during the third quarter, which affected the division's equity-related income such as brokerage and equity-linked bond commissions.

The operating result amounted to SEK 884m, an increase of 6 per cent compared with the corresponding period in 2005, but 6 per cent down compared with the preceding quarter.

The result for the first nine months improved by 17 per cent, to SEK 2,749m (2,345) following intensified focus on sales in combination with positive stock markets, particularly during the first half of the year.

Total income increased by 9 per cent during the period, while costs rose by 7 per cent. The cost increase was primarily due to previous acquisitions in Norway and Denmark, marketing and higher transaction volumes. Credit losses remained low.

Total lending volume increased by 15 per cent on a 12-month basis, to SEK 272bn, of which mortgage loans accounted for SEK 189bn. The pressure on mortgage loan

margins persisted during the quarter. At the same time pre-redemption fees were lower than in 2005.

Total deposit volume increased by 15 per cent, to SEK 162bn. According to SEB's *Sparbarometer (Savings Barometer)* the Bank's share of total household savings on 30 June was 12.8 per cent (12.7 at year-end 2005).

According to *Svenskt Kvalitetsindex (Swedish Quality Index)* published in early October, SEB had improved both in the private and corporate market. In the corporate market SEB's progress has been considerable, while the improvement on the private market was marginal. The efforts to reach higher customer satisfaction in these areas continue to be a priority.

SEB's ambition to focus on enhanced customer offerings that are easy to understand, clear and accessible led to the launch of the savings account "Enkla sparkontot" in September. SEB thus became the first major Swedish bank to offer its customers the highest interest from the first krona, without any withdrawal restrictions or required minimum business volume. In addition, "Enkla pensionen" (a life pension offering) was launched in October.

Retail Banking – increased sales efforts

The business area reported a quarterly operating profit of SEK 444m, which was better than in the corresponding quarter last year (excluding the reversal of a credit loss reserve). Compared with the preceding quarter the result dropped by 19 per cent, due to low customer activity levels during the summer months.

For the first nine months of the year the result improved by 15 per cent, to SEK 1,516m (1,314).

Several successful sales drives have been carried out both in the corporate and private market. The focus on small and medium-sized companies continued during the quarter and included the recruitment of corporate advisers as well as attractive investment offerings.

The successful consumer credit drive continued in the form of "Enkla lånet". In comparison with the corresponding period last year, total volume increased by 47 per cent, to slightly below SEK 9bn.

One new branch office was opened in Sweden during the quarter and an additional three will be opened during the last quarter of 2006.

Private Banking – increased volumes

The lower stock market activity during the summer was reflected in the quarterly result, which totalled SEK 142m, or 16 per cent down on last year and 23 per cent lower than the preceding quarter.

For the first nine months the result improved by 26 per cent, to SEK 569m (453). All units of the business area reported increased income.

On 30 September, assets under management totalled SEK 297bn, an increase of SEK 45bn or 18 per cent compared with year-end 2005. Net new volumes during the year amounted to SEK 10bn and the number of customers continued to grow.

SEB Kort – improved result

The operating profit for the third quarter was SEK 298m, including a capital gain of SEK 72m from the listing of MasterCard on the New York Stock Exchange. Adjusted for this one-off effect the result increased by 10 per cent compared with the preceding quarter and by 27 per cent compared with the corresponding period in 2005.

For the first nine months the result improved by 15 per cent, to SEK 664m (578). The increase was due both to continued growth of card turnover compared with 2005 and to an increase in SEB Kort's total number of cards, following intensified sales activities. Income rose by 6 per cent, to SEK 1,713m, compared with the corresponding period last year. Costs increased by 4 per cent, to SEK 973m (937), due to both increased sales activities and geographic expansion in the Baltic countries.

The number of card customers has grown as a result of intensified distribution and sales activities through SEB's network of branch offices, as well as several major customer agreements signed during the period.

SEB in Germany (SEB AG Group)

The SEB AG Group comprises SEB's operations in Germany: the German Retail & Mortgage Banking division, Merchant Banking Germany and Asset Management Germany.

Profit and loss account

SEK m	Q3		Q2	Q3		Jan-Sep			Full year
	2006	2006	%	2005	%	2006	2005	%	2005
Net interest income	837	833	0	981	-15	2 591	3 023	-14	4 094
Net fee and commission income	598	622	-4	540	11	1 846	1 603	15	2 167
Net financial income		98	-100	-68	-100	121	54	124	-32
Net other income	63	77	-18	159	-60	265	122	117	240
Total operating income	1 498	1 630	-8	1 612	-7	4 823	4 802	0	6 469
Staff costs	-650	-639	2	-631	3	-1 932	-1 854	4	-2 502
Other expenses	-435	-433	0	-488	-11	-1 312	-1 397	-6	-1 893
Depreciation of assets	-78	-68	15	-64	22	-207	-208	0	-301
Total operating expenses	-1 163	-1 140	2	-1 183	-2	-3 451	-3 459	0	-4 696
Profit before credit losses etc	335	490	-32	429	-22	1 372	1 343	2	1 773
Gains less losses on assets				-1	-100	-18	-1		-5
Net credit losses	-75	-86	-13	-125	-40	-274	-414	-34	-593
Operating profit	260	404	-36	303	-14	1 080	928	16	1 175
Cost/Income ratio	0,78	0,70		0,73		0,72	0,72		0,73
Business equity, SEK bn	12,6	12,7		12,3		12,6	12,1		12,2
Return on equity, %	6,6	10,2		7,9		9,2	8,2		7,7
Number of full time equivalents, average	3 419	3 397		3 500		3 400	3 436		3 388

Lower market-related income

The third quarter operating result for SEB's entire operations in Germany was SEK 260m, which was lower than both the preceding quarter and the corresponding quarter last year. This was due to lower transaction-related customer revenues this quarter, as well as decisions to continue decreasing interest rate risks in the German operations. Treasury effects which previously have been positive had no impact on the third quarter result. Costs have been stable and credit losses somewhat lower than in previous quarters.

In the first nine months of 2006 operating profit totalled SEK 1,080m, an increase of 16 per cent compared with last year. This development was driven by growth in net commission income and lower net credit losses. The improved underlying operating income was offset by the above-mentioned treasury measures to reduce interest rate risk.

Investments in growth areas within Merchant Banking as well as in German Retail were compensated by measures to improve efficiency and reduce costs.

Sales activities within Retail were higher within all major product areas, i.e. securities business, consumer and mortgage loans and life insurance.

Merchant Banking also showed a positive trend with increased operating income.

Commercial Real Estate reported growth in operating income and the net credit loss level was lower than in 2005.

Asset Management showed a clear improvement in the third quarter. ImmoInvest recorded high net inflows in the second and third quarter 2006.

N.B. As during the first half of the year, the tax rate is set at 20 per cent to better reflect the medium-term tax rate. Current tax rate is below 10 per cent.

German Retail & Mortgage Banking

This division serves about one million private individuals, of whom 246,000 use the bank's Internet services, real estate companies throughout Germany and large real estate clients. Customers are able to access its services through 175 branches, an Internet platform and telephone banking. Since 2006 SEB ImmoInvest, previously reported under the German Retail & Mortgage Banking, is consolidated with SEB Asset Management. The period for 2005 has been restated.

Profit and loss account

SEK m, 2005 restated	Q3			Q2			Q3			Jan-Sep			Full year
	2006	2006	%	2005	%	2005	%	2006	2005	%	2005	2005	
Net interest income	658	631	4	742	-11	1 991	2 367	-16	3 180				
Net fee and commission income	328	361	-9	286	15	1 057	832	27	1 128				
Net financial income	4	83	-95	-24	-117	78	97	-20	74				
Net other income	62	79	-22	158	-61	263	113	133	224				
Total operating income	1 052	1 154	-9	1 162	-9	3 389	3 409	-1	4 606				
Staff costs	-522	-515	1	-502	4	-1 552	-1 476	5	-1 978				
Other expenses	-286	-291	-2	-349	-18	-872	-988	-12	-1 294				
Depreciation of assets	-72	-64	13	-61	18	-193	-197	-2	-279				
Total operating expenses	-880	-870	1	-912	-4	-2 617	-2 661	-2	-3 551				
Profit before credit losses etc	172	284	-39	250	-31	772	748	3	1 055				
Gains less losses on assets				-1	-100	-18	-1		-5				
Net credit losses	-56	-72	-22	-128	-56	-239	-389	-39	-561				
Operating profit	116	212	-45	121	-4	515	358	44	489				
Cost/Income ratio	0,84	0,75		0,78		0,77	0,78		0,77				
Business equity, SEK bn	9,4	9,4		10,0		9,4	9,8		9,9				
Return on equity, %	4,0	7,2		3,9		5,9	3,9		4,0				
Number of full time equivalents, average	2 947	2 908		2 883		2 910	2 867		2 870				

Profit level remained low

Operating profit for the third quarter was SEK 116m, which was in line with the corresponding quarter last year but significantly lower than the preceding quarter. The nine-months operating profit amounted to SEK 515m, an increase of 44 per cent mainly due to higher commission income and reduced net credit losses.

The result of Commercial Real Estate was in line with the previous quarter and significantly higher than the corresponding period last year. Profitability in new business was high whereas "old" parts of the lending portfolio still show low returns.

The retail business is improving step by step - but from a low level and the result was just slightly positive.

Treasury activities have previously had a positive effect on the division's result. These activities did not contribute to the third quarter results as a consequence of higher short term interest rates and the decisions to reduce interest rate risk.

Sales activity levels developed positively. Sales of consumer loans were up by 45 per cent, new business of mortgage loans increased by 17 per cent and the volume of life insurance products grew significantly.

However, lending and deposit volumes have been stable throughout the year since the increased sales have been offset by outflows.

To accelerate growth and to improve results the Retail business area has sealed an exclusive cooperation deal with AXA Insurance Group. The partnership is based on a bank assurance concept.

The new organisational structure for the SEB Group means that this division will be integrated into other divisions as from January 2007. German Retail will be disclosed as one business area in the new Retail Banking division.

N.B. As during the first half of the year, the tax rate is set at 20 per cent to better reflect the medium-term tax rate. Current tax rate is below 10 per cent.

Eastern European Banking

This division comprises three Baltic banks - SEB Eesti Ühispank (Estonia), SEB Unibanka (Latvia) and SEB Vilniaus Bankas (Lithuania) - SEB in Ukraine (formerly Bank Agio) and PetroEnergoBank in Russia. The Baltic banks serve 2.5 million customers (of whom more than half use the Internet services) via some 200 branch offices and via Internet banks. SEB's mutual fund company in Poland, SEB TFI, and a leasing company in Russia also form part of the division.

Profit and loss account

SEK m	Q3		Q2	Q3		Jan-Sep			Full year
	2006	2006	%	2005	%	2006	2005	%	2005
Net interest income	679	613	11	450	51	1 824	1 295	41	1 767
Net fee and commission income	287	273	5	254	13	824	665	24	935
Net financial income	94	94		83	13	273	224	22	314
Net life insurance income	36	16	125	18	100	79	37	114	49
Net other income	19	15	27	18	6	49	68	-28	85
Total operating income	1 115	1 011	10	823	35	3 049	2 289	33	3 150
Staff costs	-255	-260	-2	-212	20	-755	-602	25	-858
Other expenses	-165	-149	11	-149	11	-478	-441	8	-608
Net Deferred Acquisition Costs						-1			
Depreciation of assets	-53	-49	8	-61	-13	-155	-162	-4	-207
Total operating expenses	-473	-458	3	-422	12	-1 389	-1 205	15	-1 673
Profit before credit losses etc	642	553	16	401	60	1 660	1 084	53	1 477
Gains less losses on assets	5	14	-64			36	6		63
Net credit losses	-13	-13		-28	-54	-58	-48	21	-139
Operating profit	634	554	14	373	70	1 638	1 042	57	1 401
Cost/Income ratio	0,42	0,45		0,51		0,46	0,53		0,53
Business equity, SEK bn	7,5	7,5		4,9		7,5	4,6		4,8
Return on equity, %	28,7	25,1		26,1		24,8	25,9		24,8
Number of full time equivalents, average	5 366	5 366		4 840		5 267	4 710		4 787

Continued profit growth

Operating profit in the third quarter was SEK 634m, up by 14 per cent from the previous quarter and by 70 per cent compared with the third quarter of last year.

Operating profit for the first nine months of 2006 reached SEK 1.6bn, an increase of 57 per cent from the corresponding period in 2005.

Total operating income for the nine months rose by 33 per cent compared with the corresponding period last year as a result of continued volume and business development. Net interest income rose by 41 per cent. Net interest margins remained stable in the third quarter.

Commission income grew by 24 per cent, mainly due to increased commissions from payments, cards and investment and trading services. Life insurance income showed strong growth of 114 per cent.

Total operating expenses increased by 15 per cent due to developing business volumes, acquisitions including PetroEnergoBank in Russia, as well as inflationary pressures and tight labour markets in the Baltic countries. As a result of stable asset quality and successful credit workout, the nine-month credit loss figure remained low, at SEK 58m (48).

Strong volume growth

The division's total gross loan portfolio reached SEK 100bn, an increase of 31 per cent since the end of 2005. As a result of focus on profitability rather than volume, SEB has seen a marginal decrease in lending market shares in Estonia and Latvia. Deposits rose by 9 per cent, to SEK 55bn. Assets under management increased by 15 per cent, to SEK 19bn.

Ongoing development

The three Baltic markets are becoming more developed and clients demand more sophisticated products. With this in mind, co-operation between the Baltic banks and product units of SEB in Sweden is being considerably strengthened by implementation of a new organisation structure. SEB's investment banking activities in the Baltic countries have been augmented by recruiting key staff. Integration of SEB's banks in Ukraine and Russia is proceeding, to support future business development.

Euromoney named SEB best Nordic/Baltic cash management bank. TNS Gallup named SEB Vilniaus Bankas best consumer Internet bank in Lithuania.

N.B. As during the first half of the year, the tax rate for the division is set at 15 per cent in order to better reflect the actual tax rates in the region.

SEB Asset Management

SEB Asset Management offers a full spectrum of investment management services to institutions, life insurance companies and private individuals. The offering includes equity and fixed income management, private equity, real estate and hedge funds. The division has offices in Copenhagen, Helsinki, Oslo, Frankfurt, Luxembourg and Stockholm. The staff includes some 150 portfolio managers and analysts.

Profit and loss account

SEK m, 2005 restated	Q3		Q2		Q3		Jan-Sep			Full year
	2006	2006	%	2005	%	2006	2005	%	2005	
Net interest income	26	24	8	22	18	74	62	19	85	
Net fee and commission income	560	620	-10	547	2	1 743	1 464	19	2 110	
Net financial income	4	4		4		9	15	-40	17	
Net other income	2	3	-33	3	-33	9	15	-40	21	
Total operating income	592	651	-9	576	3	1 835	1 556	18	2 233	
Staff costs	-177	-196	-10	-180	-2	-537	-474	13	-656	
Other expenses	-121	-115	5	-110	10	-343	-336	2	-493	
Depreciation of assets	-4	-5	-20	-4		-13	-13		-24	
Total operating expenses	-302	-316	-4	-294	3	-893	-823	9	-1 173	
Operating profit	290	335	-13	282	3	942	733	29	1 060	
Cost/Income ratio	0,51	0,49		0,51		0,49	0,53		0,53	
Business equity, SEK bn	2,0	2,0		1,8		2,0	1,8		1,8	
Return on equity, %	41,8	48,2		45,1		45,2	39,1		42,4	
Number of full time equivalents, average	587	595		551		584	545		549	

Healthy result despite lower performance fees

The upturn of the stock market had a positive effect on the revenue base during the third quarter. Operating profit for the division amounted to SEK 290m, which is 3 per cent higher than in the corresponding quarter of last year. Compared with the previous quarter the operating profit decreased by 13 per cent, mainly due to lower performance fees. Performance fees amounted to SEK 34m in the third quarter. Total operating income and profits excluding performance fees increased compared with the corresponding period last year as well as the previous quarters this year due to increased volumes. The decrease of 4 per cent in total operating expenses between the third and the second quarter was related to lower variable compensation.

The first nine months showed an accumulated operating profit of SEK 942m (733), an increase of 29 per cent compared with the corresponding period of 2005.

Strong net sales and record market share

Net sales remained strong during the third quarter albeit at a somewhat slower pace than earlier in the year. Aggregate net sales for 2006 amounted to SEK 36bn (26), which is 40 per cent higher than the corresponding period last year. Net sales have been strong both in the institutional and retail client segments. In Germany the large outflow at the beginning of the year, due to the negative sentiment in the real estate fund market, has now more than recovered through new volumes.

The Swedish mutual funds market continued to be slow during the third quarter. However, SEB held up well and net sales of own mutual funds in Sweden were SEK 16.1bn (8.7) year-to-date, compared with a total market of SEK 51.6bn (62.7). This represents a number one position and a record 31 per cent (14) market share of net sales.

Assets under management back at peak level

The division's total assets under management increased by SEK 38bn or 4 per cent during the third quarter both as a result of net sales and increased values. Total assets under management reached a new all-time high of SEK 883bn at the end of the period compared to SEK 841bn at the end of last year. The distribution between asset types has remained relatively stable during the year. Real estate constitutes 8 per cent (8) of assets under management, equities 41 per cent (40) and fixed income 48 per cent (48). Compared with year-end, total mutual funds, including third-party mutual funds, have increased their share of the division's assets under management, representing 48 per cent (46) of the total, corresponding to SEK 424bn (385).

Stable investment performance and rating

The division's aggregate investment performance fell back somewhat during the third quarter. However, calculated from the beginning of the year 63 per cent of assets under management have performed better than their respective indices. The average Morningstar rating for the division's funds remained at the year-end level, 3.3 stars.

SEB Trygg Liv

SEB Trygg Liv is one of the leading life insurance groups in the Nordic region. Operations comprise insurance products within the investment and social security area for individuals and corporations. SEB Trygg Liv provides both unit-linked and traditional insurance. The division operates in Sweden, Denmark, Finland, Ireland, the UK and Luxembourg and serves 1.5 million customers. The SEB Group also has life insurance operations in Estonia, Latvia and Lithuania.

The traditional life insurance operations in Sweden are conducted in the mutually operated insurance companies Nya and Gamla Livförsäkringsaktiebolaget, which are not consolidated with the division's results.

Profit and loss account

SEK m	Q3			Q2			Q3			Jan - Sep			Full year
	2006	2006	%	2005	%	2006	2005	%	2006	2005	%	2005	
Net interest income	-3	-4	-25	1		-10	8					9	
Net life insurance income	902	790	14	731	23	2 453	2 095	17				2 857	
Total operating income	899	786	14	732	23	2 443	2 103	16				2 866	
Staff costs	-225	-259	-13	-223	1	-723	-692	4				-952	
Other expenses	-252	-364	-31	-307	-18	-1 008	-992	2				-1 405	
Net Deferred Acquisition Costs	44	144	-69	61	-28	356	278	28				477	
Depreciation of assets	-13	-12	8	-11	18	-37	-32	16				-53	
Total operating expenses	-446	-491	-9	-480	-7	-1 412	-1 438	-2				-1 933	
Operating profit	453	295	54	252	80	1 031	665	55				933	
Change in surplus values, net	381	493	-23	325	17	1 296	637	103				1 280	
Business result	834	788	6	577	45	2 327	1 302	79				2 213	
Cost/Income ratio	0,50	0,62		0,66		0,58	0,68					0,67	
Business equity, SEK bn	7,0	7,0		7,0		7,0	7,3					7,2	
Return on equity, %													
based on operating profit	22,8	14,8		12,7		17,3	10,7					11,4	
based on business result	41,9	39,6		29,0		39,0	21,0					27,0	
Number of full time equivalents, average	1 030	1 074		1 083		1 060	1 097					1 089	

Strong profit growth

The third quarter profit of SEK 453m was a result of positive developments in all areas. Continued high inflows, strong market development and higher corporate pension volumes contributed to the increase. Good income growth combined with low operating expenses produced a high quarterly profit.

The effect of cost reduction measures is now materialising. The seasonal variation due to the vacation period also had a positive effect on total operating expenses. In addition, the separation and integration projects related to IT operations in Denmark were completed during the second quarter.

The UK subsidiary, which ceased selling new business in 1996, has been sold. The business related to Swedish customers was transferred to a UK branch of the Irish subsidiary SEB Life (Ireland) prior to the sale. The transaction had a net positive effect of SEK 30m.

The first nine months' operating profit increased by 55 per cent, to SEK 1,031m (665). Total operating income rose by 16 per cent, to SEK 2,443m (2,103). The increase for the unit-linked business was 28 per cent compared with last year. Total operating expenses were SEK 1,412m

(1,438). Focus on operational excellence continues as a means for establishing a lower cost base in the long term.

The business result for the first nine months increased by 79 per cent to SEK 2,327m. The surplus values are not included in the SEB Group's profit and loss account and balance sheet. For details, see Additional Information at www.sebgroup.com.

Stable sales trend and premium income

During the first nine months total sales for the division, measured as weighted volume, increased by 10 per cent, to SEK 33.3bn (30.3). Unit-linked products represented 85 per cent of total sales. Total premium income (premiums paid) increased by 9 per cent, to SEK 21.3bn (19.6) during the year. The main increase was related to unit-linked.

The total value of unit-linked funds for the division was SEK 110bn compared with SEK 103bn on 30 June and SEK 96bn at year-end. Total net assets under management were SEK 380bn compared with SEK 367bn at year-end.

Improved results in each market

In Sweden, profits continued to increase. The corporate pension segment showed stable growth and represented

72 per cent (64) of total sales. The volume of collective occupational pension sold through the bank channel increased by 20 per cent. Sales of regular endowment policies increased by 17 per cent while the volume of "Kapitalpension" was down as expected after extraordinary high sales last year. Total sales were thereby down by 4 per cent.

The most recent market statistics in Sweden (per June), covering the last twelve months, showed a market share for new unit-linked business of 31.4 per cent (32.8). Increased market shares within corporate pension are offset by decreases in the market for pure endowment policies. SEB Trygg Liv maintained its leading position within unit-linked, despite increased competition from new entrants, and its position as the second-largest player in the total market (i.e. including traditional life), with a market share of 19.8 per cent (19.5).

In *Denmark*, total sales increased by 74 per cent compared to last year and the sale of unit-linked rose by 120 per cent. Also here, corporate pension is the main growth area representing 78 per cent (73) of total sales. Premium income rose by 16 per cent including an increase of 48 per cent in unit-linked.

Operating profit improved during the third quarter after having suffered from rising interest rates, primarily during the first quarter, with negative investment returns as a result. The profit trend from the growing unit-linked business was positive, although moderate. The traditional profit-sharing business, which is the major source of profit, also improved during the third quarter. The result for sickness insurance, showing significant deficits during the previous two years, continued to improve according to plan. Operating expenses were lower than during the preceding two quarters. Ongoing cost reduction projects,

including integration with the rest of the division, are showing results despite a substantial increase in business volumes.

The *International* business, with operations in England and Ireland, showed somewhat lower sales volumes compared to last year, also here an effect of lower volumes of "Kapitalpension". Operating profit continued to improve primarily from growth in unit-linked fund values combined with a moderate increase in operating expenses. Premium income increased by 9 per cent compared to last year. The forming of a UK branch for the Swedish business transferred from the UK subsidiary will further strengthen SEB Life (Ireland) which now has total unit-linked funds of SEK 12bn.

New business margin during the first nine months excluding SEB Pension was 24.4 per cent compared with 22.0 per cent for the full year of 2005.

Traditional life insurance in Sweden

In Sweden, traditional life insurance is conducted in two mutually operated companies, whose results are not consolidated with SEB Trygg Liv. This means that the policyholders are carrying the result and investment risk.

For the first nine months, the total return for Gamla Livförsäkringsaktiebolaget was 6.5 per cent and the collective consolidation ratio 118 per cent. For Nya Livförsäkringsaktiebolaget the total return was 0.5 per cent and the collective consolidation ratio 100 per cent. For more facts concerning these companies, see Additional Information at www.sebgroup.com.

N.B. As during the first half of the year, the tax rate is set at 12 per cent in order to reflect the actual tax situation.

The SEB Group

Net fee and commission income – SEB Group

SEKm	Q3			Q2			Q3			Jan - Sep			Full year 2005
	2006	2006	%	2005	%	2006	2005	%	2006	2005	%		
Issue of securities	51	99	-48	21	143	192	72	167	192	72	167	193	
Secondary market shares*	556	1 070	-48	692	-20	2 541	1 939	31	2 541	1 939	31	2 599	
Secondary market other	63	154	-59	67	-6	326	228	43	326	228	43	340	
Custody and mutual funds	1 500	1 535	-2	1 288	16	4 522	3 537	28	4 522	3 537	28	5 010	
Securities commissions*	2 170	2 858	-24	2 068	5	7 581	5 776	31	7 581	5 776	31	8 142	
Payments	438	444	-1	405	8	1 324	1 229	8	1 324	1 229	8	1 679	
Card fees	928	949	-2	853	9	2 745	2 462	11	2 745	2 462	11	3 371	
Payment commissions	1 366	1 393	-2	1 258	9	4 069	3 691	10	4 069	3 691	10	5 050	
Advisory	511	372	37	230	122	1 286	812	58	1 286	812	58	1 284	
Lending	207	258	-20	316	-34	715	720	-1	715	720	-1	940	
Deposits	36	28	29	24	50	88	74	19	88	74	19	96	
Guarantees	70	74	-5	57	23	207	161	29	207	161	29	225	
Derivatives	81	111	-27	58	40	302	220	37	302	220	37	306	
Other	222	193	15	214	4	596	513	16	596	513	16	698	
Other commissions	1 127	1 036	9	899	25	3 194	2 500	28	3 194	2 500	28	3 549	
Fee and commission income	4 663	5 287	-12	4 225	10	14 844	11 967	24	14 844	11 967	24	16 741	
Securities commissions*	-117	-419	-72	-193	-39	-700	-454	54	-700	-454	54	-583	
Payment commissions	-530	-537	-1	-485	9	-1 561	-1 316	19	-1 561	-1 316	19	-1 807	
Other commissions	-244	-224	9	-131	86	-711	-533	33	-711	-533	33	-792	
Fee and commission expense	-891	-1 180	-24	-809	10	-2 972	-2 303	29	-2 972	-2 303	29	-3 182	
Securities commissions, net	2 053	2 439	-16	1 875	9	6 881	5 322	29	6 881	5 322	29	7 559	
Payment commissions, net	836	856	-2	773	8	2 508	2 375	6	2 508	2 375	6	3 243	
Other commissions, net	883	812	9	768	15	2 483	1 967	26	2 483	1 967	26	2 757	
Net fee and commission income	3 772	4 107	-8	3 416	10	11 872	9 664	23	11 872	9 664	23	13 559	

* Strong development of securities lending in Q2 2006 of above SEK 200m in commission income and expense.

Net financial income – SEB Group

SEKm	Q3			Q2			Q3			Jan - Sep			Full year 2005
	2006	2006	%	2005	%	2006	2005	%	2006	2005	%		
Equity instruments and related derivatives	153	114	34	291	-47	410	690	-41	410	690	-41	1 620	
Debt instruments and related derivatives	287	288	0	-185		895	128		895	128		-619	
Capital market related	440	402	9	106		1 305	818	60	1 305	818	60	1 001	
Currency-related	450	645	-30	482	-7	1 611	1 684	-4	1 611	1 684	-4	2 391	
Net financial income	890	1 047	-15	588	51	2 916	2 502	17	2 916	2 502	17	3 392	

Net credit losses - Group

SEKm	Q3			Q2			Q3			Jan - Sep			Full year 2005
	2006	2006	%	2005	%	2006	2005	%	2006	2005	%		
<i>Provisions:</i>													
Net collective provisions	- 89	- 106	-16	- 112	-21	- 320	- 2						403
Specific provisions	- 125	- 198	-37	- 166	-25	- 433	- 612	-29					-1 286
Reversal of specific provisions no longer required	133	155	-14	170	-22	371	335	11					438
Net provisions for contingent liabilities	1	9	-89	- 2	-150	21	- 17						- 6
Net provisions	- 80	- 140	-43	- 110	-27	- 361	- 296	22					- 451
<i>Write-offs:</i>													
Total write-offs	- 334	- 305	10	- 414	-19	- 864	- 1 114	-22					-1 532
Reversal of specific provisions utilized for write-offs	196	181	8	222	-12	483	567	-15					756
Write-offs not previously provided for	- 138	- 124	11	- 192	-28	- 381	- 547	-30					- 776
Recovered from previous write-offs	81	102	-21	123	-34	260	273	-5					327
Net write-offs	- 57	- 22	159	- 69	-17	- 121	- 274	-56					- 449
Net credit losses	- 137	- 162	-15	- 179	-23	- 482	- 570	-15					- 900
Change in value of seized assets	1			- 11	-109	- 14	- 13	8					- 14
Net credit losses incl change in value	- 136	- 162	-16	- 190	-28	- 496	- 583	-15					- 914

Balance sheet – SEB Group

Condensed SEKm	30 September 2006	31 December 2005	30 September 2005
Cash and cash balances with central banks	19 957	27 545	9 070
Loans to credit institutions	201 038	177 592	215 162
Loans to the public	926 016	901 261	878 933
Financial assets at fair value *	542 940	504 895	457 956
Available-for-sale financial assets *	177 806	181 976	171 077
Held-to-maturity investments *	14 258	16 502	15 764
Asset held for sale / Discontinued operations	958	1 405	1 455
Investments in associates	1 165	1 218	1 193
Tangible and intangible assets	22 905	23 474	22 947
Other assets	47 339	53 870	54 946
Total assets	1 954 382	1 889 738	1 828 503
Deposits by credit institutions	370 808	399 494	378 600
Deposits and borrowing from the public	625 549	570 001	540 884
Liabilities to policyholders	194 915	185 363	175 208
Debt securities	392 359	353 205	376 696
Financial liabilities at fair value	197 348	201 774	183 574
Other liabilities	65 965	76 086	79 445
Provisions	2 295	2 816	1 565
Subordinated liabilities	41 609	44 203	37 272
Total equity	63 534	56 796	55 259
Total liabilities and equity	1 954 382	1 889 738	1 828 503
* Of which interest bearing	551 213	543 714	499 994

Memorandum items – SEB Group

SEKm	30 September 2006	31 December 2005	30 September 2005
Collateral and comparable security pledged for own liabilities	307 707	316 425	296 819
Other pledged assets and comparable collateral	164 691	143 042	124 724
Contingent liabilities	67 780	57 891	51 138
Commitments	323 140	286 520	258 590

Statement of changes in equity – SEB Group

SEKm	30 September 2006	31 December 2005	30 September 2005
Opening balance	112	85	85
Net change	19	27	25
Minority interests	131	112	110
Opening balance	1 363		
New accounting principle (IAS 39), Cash flow hedges and Afs valuation		1 015	1 015
Net change in reserves	- 434	348	677
Revaluation reserves	929	1 363	1 692
Opening balance	55 321	51 678	49 298
New accounting principle (IAS 32), Swap agreements		-1 394	30
New accounting principle (IAS 39), Non IAS 39 compliant hedges		- 930	26
Dividend to shareholders	-3 264	-3 065	-3 065
Dividend, own holdings of shares	75	216	216
Result, holding of own shares	- 12	- 12	71
Neutralisation of PL impact of employee stock option programme	82	88	48
Utilization of equity swaps for employee stock option programme*	452	528	447
Utilization of repurchased shares for stock option programme**	1 096	204	
Eliminations of repurchased shares for improvement of the capital structure		- 218	- 218
Translation difference	- 94	- 175	118
Net profit attributable to equity holders	8 818	8 401	6 486
Core equity	62 474	55 321	53 457
Total equity	63 534	56 796	55 259

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

** As of 31 December 2005 SEB owned 18.4 million Class A shares for the employee stock option programme. The acquisition cost for these shares is deducted from shareholders' equity. During 2006 5.0 million of these shares have been sold as employee stock options have been exercised. In addition 3.1 million shares have been sold in accordance with decision at the AGM. Thus, as of 30 September SEB owned 10.3 million Class A-shares with a market value of SEK 2,032m.

Cash flow statement – SEB Group

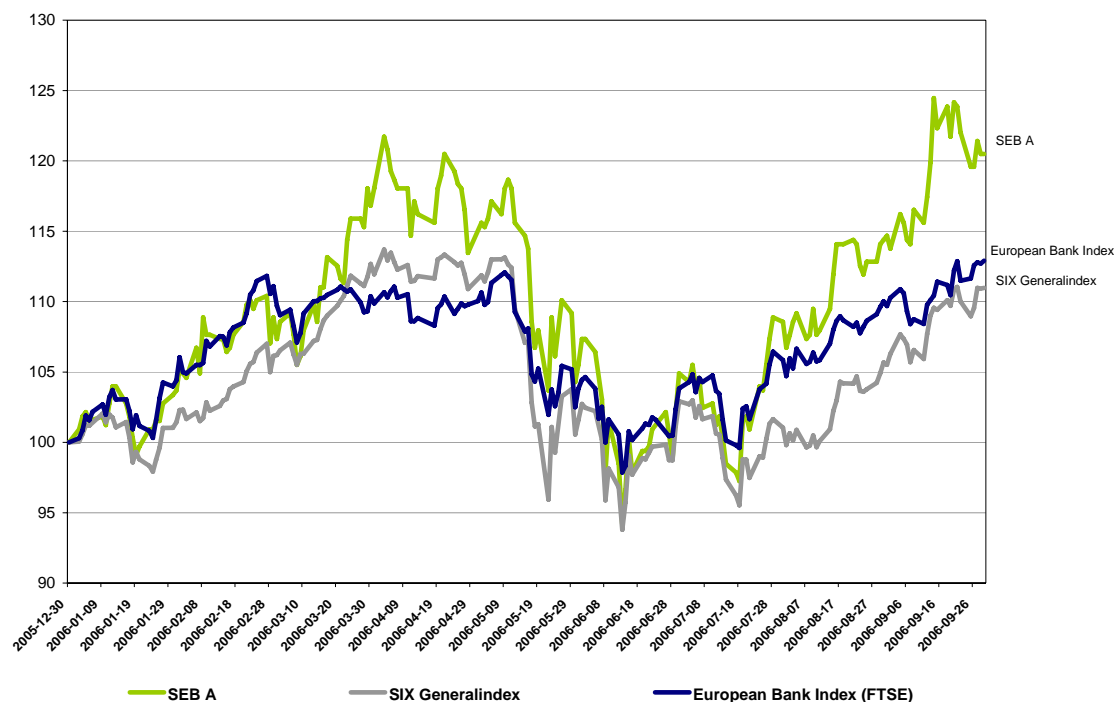
SEKm	Jan - Sep			Full year 2005
	2006	2005	%	
Cash flow from the profit and loss statement	10 543	7 678	37	12 307
Increase (-)/decrease (+) in trading portfolios	-36 240	-80 014	-55	-121 965
Increase (+)/decrease (-) in issued short term securities	28 461	77 267	-63	38 816
Increase (-)/decrease (+) in lending to credit institutions	-23 158	-6 316		36 349
Increase (-)/decrease (+) in lending to the public	-25 412	-93 500	-73	-102 155
Increase (+)/decrease (-) in liabilities to credit institutions	-28 731	16 845		33 033
Increase (+)/decrease (-) in deposits and borrowings from the public	55 286	24 047	130	44 786
Increase (-)/decrease (+) in insurance portfolios	16 106	13 920	16	24 042
Change in other balance sheet items	-8 968	2 988		91
Cash flow from operating activities	-12 113	-37 085	-67	-34 696
Cash flow from investment activities ¹⁾	93	-2 084	-104	-7 378
Cash flow from financing activities	4 866	34 859	-86	56 147
Net increase in cash and cash equivalents	-7 154	-4 310	66	14 073
Cash and cash equivalents at beginning of year	27 545	12 979	112	12 979
Exchange difference in cash and cash equivalents	- 434	401		493
Net increase in cash and cash equivalents	-7 154	-4 310	66	14 073
Cash and cash equivalents at end of period	19 957	9 070	120	27 545
1) Including investments in subsidiaries				
Cost of acquisitions	- 130	-1 734	-93	-5 780
Less cash acquired	113	314	-64	314
Outflow on acquisition	- 17	-1 420	-99	-5 466

Impaired loans and seized assets – SEB Group

SEKm	30 September 2006	31 December 2005	30 September 2005
Non-performing impaired loans	7 487	7 957	8 064
Performing impaired loans	1 186	1 144	766
Impaired loans gross*	8 673	9 101	8 830
Specific reserves	-4 274	-4 787	-4 508
<i>of which reserves for non-performing loans</i>	-3 785	-4 183	-4 110
<i>of which reserves for performing loans</i>	-489	-604	-398
Collective reserves	-2 444	-2 283	-2 652
Impaired loans net	1 955	2 031	1 670
Reserves for off-balance sheet items	-237	-268	-281
Total reserves	-6 955	-7 338	-7 441
Level of impaired loans	0.21%	0.22%	0.19%
(Impaired loans, net in relation to lending, at end of period)			
Reserve ratio for impaired loans	77.5%	77.7%	81.1%
(Specific and collective reserves in relation to impaired loans gross, per cent)			
<i>Specific reserve ratio for impaired loans</i>	49.3%	52.6%	51.1%
Pledges taken over			
Properties	89	119	116
Shares	44	46	45
Total volume of pledges taken over	133	165	161

* Individually impaired loans.

The SEB share



Rating

Moody's		Standard & Poor's		Fitch	
Outlook Stable		Outlook Stable		Outlook Positive	
Short	Long	Short	Long	Short	Long
P-1	Aaa	A-1+	AAA	F1+	AAA
P-2	Aa1	A-1	AA+	F1	AA+
P-3	Aa2	A-2	AA	F2	AA
	Aa3	A-3	AA-	F3	AA-
	A1		A+		A+
	A2		A		A
	A3		A-		A-
	Baa1		BBB+		BBB+
	Baa2		BBB		BBB
	Baa3		BBB-		BBB-

SEB's major shareholders

September 2006	Share of capital, per cent
Investor AB	17.9
Trygg Foundation	9.6
Alecta	3.1
Robur funds	2.3
AFA Försäkring	2.1
SHB/SPP mutual funds	2.1
SEB mutual funds	1.7
Nordea mutual funds	1.5

Foreign shareholders 28.7

Source: VPC/SIS Ägarservice