Annual Accounts 2009

STOCKHOLM 10 FEBRUARY 2010

2009 – operating profit SEK 3.4bn (12.5)

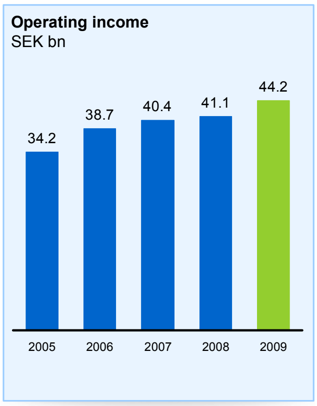
- Profit before credit losses amounted to SEK 15,816m (15,697), up by 1 per cent; adjusted for goodwill impairment, capital gains and restructuring costs, the increase was 11 per cent to SEK 17,215m.
- Operating profit amounted to SEK 3,372m (12,471) and net profit to SEK 1,178m (10,050).
- Operating income increased by 8 per cent. Net interest income rose by 4 per cent and Net fee and commission income dropped by 5 per cent.
- Operating expenses, excluding goodwill impairment charges of SEK 3.0bn, increased by 3 per cent.
- Provisions for credit losses were SEK 12,448m (3,231) and the net credit loss level 0.92 per cent (0.30).
- Return on equity was 1.2 per cent (13.1) and earnings per share SEK 0.58 (10.36).
- The core Tier 1 capital ratio was 11.7 per cent (8.6) and the Tier 1 capital ratio 13.9 per cent (10.1).
- The Board of Directors proposes a dividend per share of SEK 1.00 (no dividend in 2008).

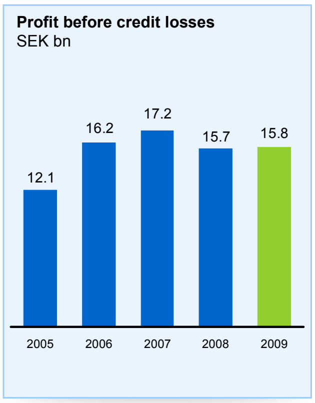
The fourth quarter – operating profit SEK 0.6bn (4.0)

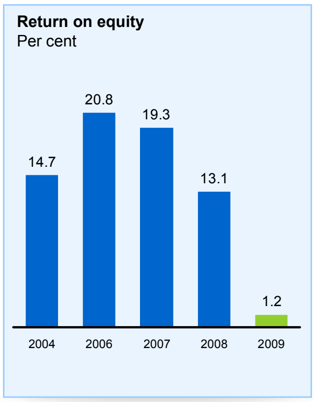
- Profit before provisions for credit losses amounted to SEK 3,748bn (5,730). Operating profit amounted to SEK 564m (4,028) and net profit to SEK 284m (3,507).
- Operating income was down by 22 per cent compared with the corresponding quarter in 2008. It includes a cost of SEK 185m in compensation to Swedish mutual fund holders.
- Operating expenses were 12 per cent lower than in the corresponding quarter of 2008 and 2 per cent up from the previous quarter.

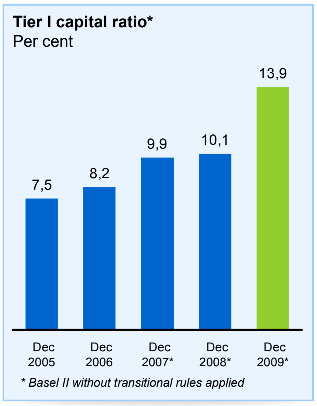
"Our result 2009 is proof of the merits of our diversified business mix and our long-term customer relationships during a difficult year. Looking ahead, we see a clear improvement in the Baltic countries. With a strengthened balance sheet we will invest in growth across our businesses with an emphasis on Merchant Banking in the Nordic countries and Germany."

Annika Falkengren









President's comment

2009 was truly a year of two halves, marked by the fraught winter months giving way to rallying equity and debt markets. While the year ended on a slightly less exuberant note, the world is certainly further along the road to recovery than most would have dared to expect a year ago. However, this is in no small part due to the stimulus packages put in place by governments and central banks. There is a risk for setbacks as these are withdrawn.

Difficult decisions and strengthened balance sheet
2009 was also a year characterised by difficult decisions: the rights issue, cutting headcount by 1,500, the write-off of all goodwill relating to the Baltic operations and Eastern Europe and the extraordinary extension of our funding maturities at the expense of net interest income.

Ultimately, these decisions were taken to build a 'fortress' balance sheet independent of market volatility and to be well positioned to support our customers.

Solid result in the last quarter of a volatile year
SEB ended the year with a solid result in the fourth quarter – a testament to our diversified business mix and the resiliency of our customer relationships. A fourth quarter operating profit before gains and credit losses of SEK 3.7bn means that we ended the year with a full year profit of SEK 15.8bn, a slight increase from last year. Positive developments in net fee and commission income and net life insurance income brought this quarter's operating profit above the third quarter level while net interest income declined.

Large parts of SEB performed very well in 2009 with Merchant Banking and Life recording their highest operating profit ever. Retail Banking in Sweden remained strong, attracting mortgage volumes and new SME customers and record card volumes. In Germany, the corporate business is doing well while the retail business continues to struggle. The Baltic operations were plagued by goodwill write-offs and provisions for credit losses.

A better handle on the Baltic development
We are more confident about the macroeconomic stabilisation in the Baltic region. The net inflow of past due volumes in all three countries have in princple stopped during the second half of 2009, which indicates that non-performing loan formation should slow in 2010. Also, we have conducted an in-depth review of all credits. By year-end, valuations for over 80 per cent of all commercial and residential properties in the region had been concluded, reflecting the long-term recovery rates at which SEB would be willing to acquire these assets to the Real Estate Holding Companies. Accordingly, in the absence of any significant macroeconomic setbacks, the provisions for credit losses should develop favourably during 2010.

The impact of new regulation
It seems almost every day is bringing new proposals on regulation or legislation. The importance of a harmonised global framework must again be highlighted. The Bank for International Settlements is proposing updates to international regulatory capital standards which, if implemented, will have far-reaching impact on capital ratios in the banking sector. Notwithstanding these changes, SEB's capital position is expected to be firm.

Variable remuneration
Remuneration is another area where regulation must ensure a level playing field. In SEB, we fundamentally believe that a mix of fixed and variable remuneration promotes the right behaviours to create long-term value for both customers and shareholders. In setting the total level of variable cash remuneration for 2009, many difficult issues needed to be balanced. Record profits in some parts of the bank are contrasted by extremely poor results in other parts. At the same time the confidence of customers, shareholders, employees and society at large must be maintained. Furthermore, actions taken by SEB's Nordic and international competitors are of importance. Also, taking into account the lower overall result, the total level of variable short term remuneration has been reduced by two thirds to 5 per cent of staff costs.

Poised to grow from a position of strength
From previous business cycles, we know that now is the time to invest in future growth. Nevertheless, in 2010 we will be working through credit provisioning in the Baltic countries and taking up-front costs of our investments. This will short-term hamper the financial development.

Going forward, we are confident that SEB is well positioned for long-term growth. We aim to take advantage of the opportunities and flexibility afforded by our balance sheet strength to invest in customer acquisition and further improving our franchise with an emphasis on Merchant Banking in the Nordic countries and Germany.

The Group

Fourth quarter isolated

SEB's *profit before provisions for credit losses* for the fourth quarter amounted to SEK 3,748m (5,730). Adjusted for capital gains and restructuring costs, profit before credit losses was down by 37 per cent compared with the corresponding quarter of 2008 and by 7 per cent from the previous quarter.

Operative income statement SEK m	Q4 2009	Q3 2009	%	Q4 2008	%
Operating income	9 604	9 735	*-1*	11 915	*-19*
Operating expenses	-6 126	-6 015	*2*	-6 365	*-4*
Pre-provision operating profit	**3 478**	**3 720**	**-7**	**5 550**	**-37**
Net tangible and intangible assets	- 24	3		1	
Net credit losses	-3 160	-3 335	*-5*	-1 703	*86*
Operating profit ongoing business	**294**	**388**	***-24***	**3 848**	***-92***
Capital gains	270			780	*-65*
Restructuring cost				- 600	
Operating profit	**564**	**388**	**45**	**4 028**	**- 86**

Operating profit amounted to SEK 564m (4,028). Adjusted for capital gains and restructuring costs, operating profit decreased by 92 per cent compared with the corresponding quarter of 2008, and by 24 per cent from the previous quarter. Foreign exchange translation effects were negligible between the quarters.

Net profit (after tax) was SEK 284m (3,507).

Income

Total operating income amounted to SEK 9,874m (12,695). Adjusted for capital gains, operating income dropped by 19 per cent compared with the corresponding quarter of 2008 and by 1 per cent from the previous quarter.

Net interest income at SEK 3,697m (5,513) was 33 per cent lower than in the corresponding quarter of 2008 and SEK 822m or 18 per cent down from the previous quarter. Customer-driven net interest income dropped by SEK 509m on a twelve-month basis and by SEK 149m from the previous quarter, mainly due to falling deposit margins. Net interest income from other activities, mainly the bond investment portfolio, other trading and treasury, was down by SEK 1,307m compared with the corresponding quarter of 2008 and by SEK 673m from the previous quarter. The sharp reduction is mainly due to increased cost for extending the funding duration, lower interest from fixed income securities as a result of sales to reduce risks and lower yields following flattening curves.

Net fee and commission income at SEK 3,877m (3,790) rose by 2 per cent compared with the corresponding quarter of 2008 and by 9 per cent compared with the previous quarter due to higher securities commissions and new issues. Commission income was negatively affected by the one-off charge of SEK 185m for compensation to mutual fund holders within SEB Fonder (see further p. 15).

Net financial income at SEK 935m (1,723) was 46 per cent lower than in the last quarter of 2008, when the turbulent market conditions amplified volatility and foreign exchange earnings. The valuation loss in the investment portfolio was SEK 34m (187). Compared with the previous quarter, net financial income was flat.

Net life insurance income rose by 81 per cent, or SEK 416m, to SEK 932m (516), due to higher market values and recovered provisions for traditional life portfolio guarantees. In comparison with the previous quarter the increase was 9 per cent.

Net other income was considerably lower than in the last quarter of 2008, which included a capital gain of SEK 780m from the sales of NSCD (VPC). In comparison with the previous quarter, net other income rose by SEK 586m, partly due to a capital gain of SEK 270m from the repurchase of part of SEB's outstanding USD denominated hybrid Tier I securities.

Expenses

Total operating expenses amounted to SEK 6,126m (6,965). Adjusted for restructuring costs in the last quarter of 2008, operating expenses were down by 4 per cent compared with that quarter and up by 2 per cent in relation to the previous quarter.

Staff costs decreased by 20 per cent compared with the corresponding quarter last year – adjusted for restructuring costs of SEK 600m during that quarter – and by 15 per cent compared with the previous quarter. A reversal of SEK 458m (including social benefit charges) for provisions for short-term performance-related remuneration made earlier during 2009 reflects the decision to reduce the pay-out of these short-term incentives following a much lower operating profit for the SEB Group. This shall be compared to a provision of SEK 528m in the fourth quarter of 2008 and SEK 245m in the previous quarter. Provisions for long-term incentives (including social benefit charges) were SEK 41m (a reversal of SEK 109m in the fourth quarter of 2008).

Other expenses rose by 26 per cent compared with the last quarter of 2008 and by 30 per cent from the previous quarter. This was partly due to a compensation of SEK 120m to bond investors in Estonia as earlier communicated. Costs for One IT Roadmap as well as other IT and efficiency projects rose.

Credit losses and provisions

Net credit losses increased to SEK 3,160m (1,703), an increase of 86 per cent compared with the corresponding quarter of 2008, but a decrease of 5 per cent from the previous quarter. The net credit loss level amounted to 0.93 per cent (0.62).

Provisions made for the Swedish credit portfolio remained low and stable at SEK 260m (269), corresponding to a net credit loss level of 0.14 per cent (0.18). Provisions made for the Baltic region amounted to SEK 2,588m (877), 82 per cent of the Group's total, corresponding to a regional net credit loss level of 5.87 per cent. On a sequential basis, Baltic provisions decreased by 2 per cent.

Provisions for SEB's German business increased to SEK 186m (59), mostly within the retail business and partly due to one single sizeable loss.

Individually assessed impaired loans increased by SEK 2,955m during the quarter, fully explained by the Baltic development, where these loans were up by SEK 3,261m, or 31 per cent. A significant part, or close to 50 per cent, of the new impaired loans this quarter stem from the revaluation process of real estate collateral. Sequentially, impaired loans in the Nordic countries and Germany decreased.

The Group's *past due portfolio assessed loans* (homogeneous groups) were stable in the quarter. The quarterly increase in the Baltic region was SEK 74m. In addition to the past due volumes, SEK 312m of the Baltic household loans have been restructured, i.e. part of the interest payments have been capitalised.

Overall, the inflow of past due volumes in all three Baltic countries have in principle stopped during the second half of 2009. The development is most accentuated for past due volumes more than 30 days, which indicates that non-performing loan formation should slow in 2010 (see page 18).

The full year of 2009

SEB's *profit before provisions for credit losses* for 2009 amounted to SEK 15,816m (15,697), an increase of 1 per cent compared with 2008.

Excluding goodwill impairment charges, capital gains and restructuring costs, pre-provision profit rose by 11 per cent, to SEK 17,215m.

Operative income statement SEK m	2009	2008	%
Operating income	42 643	40 325	6
Operating expenses	-25 428	-24 808	3
Pre-provision operating profit	**17 215**	**15 517**	***11***
Net tangible and intangible assets	4	5	*-20*
Net credit provisions	-12 448	-3 231	
Operating profit ongoing business	**4 771**	**12 291**	***-61***
Capital gains	1 570	780	*101*
Impairment of goodwill*	-2 969		
Restructuring cost		- 600	
Operating profit	**3 372**	**12 471**	***-73***

* Includes Y-T-D FX effect on original SEK 2,988m

Operating profit decreased to SEK 3,372m (12,471), materially impacted by credit provisioning. The foreign exchange rate translation effect was SEK -256m.

Net profit (after tax) dropped, to SEK 1,178m (10,050).

Income

Total operating income increased by 8 per cent to SEK 44,213m (41,104), including a positive foreign exchange translation effect of SEK 1.6bn. Excluding the translation effect and adjusting also for capital gains, operating income rose by 2 per cent.

Operating income includes negative income effects of SEK 1.5bn, which are related to decisions to strengthen the balance sheet, primarily related to extended funding duration and reduced holdings of bond portfolios.

Net interest income rose by SEK 780m, or 4 per cent, to SEK 19,490m (18,710). Customer-driven net interest income rose by SEK 315m. The net margin contribution was negative at SEK 612m due to the sharply lower short-term rates which impacted deposit margins. Average deposit volumes grew by 5 per cent, while average lending to the public was 8 per cent higher than in 2008, in total contributing SEK 928m to net interest income.

During 2009, short-term funding rates decreased significantly and the yield curves in the bond markets flattened to more normal levels. Together with the Group's funding position at the beginning of the year this contributed SEK 465m to net interest income. The positive impact subsided during the year. The decision to gradually increase matched funding to approximately 18 months reduced net interest income by SEK 1,200m.

Net interest income also included an accrued cost of SEK 300m for the new charge related to the Swedish stability fund.

Net fee and commission income decreased by 5 per cent, to SEK 14,460m (15,254), although income improved quarter by quarter during the year. The decrease was due to lower income from equity trading and custody as well as reduced performance fees from asset management, including the above-mentioned provision of SEK 185m for compensation to mutual fund holders. Commissions from payments and cards and other non-capital market related business were virtually flat.

Net financial income increased by SEK 1.5bn to SEK 4,485m (2,970). This was was an effect of higher market volatility in the first half of 2009 and high customer activity in the foreign exchange and fixed-income businesses within the trading and capital market areas. The increase was also due to SEK 1,162m lower valuation losses related to the bond investment portfolio and the write-off of Lehman exposures in 2008.

Net life insurance income rose by SEK 1,222m, or 51 per cent, to SEK 3,597m (2,375). The improvement was equally due to recovered provisions for traditional life portfolios and increased unit-linked values. A complete description of Life's operations, including changes in surplus values, is found in "Additional information" on www.sebgroup.com.

Net other income increased to SEK 2,181 (1,795). Adjusted for capital gains – SEK 1.6bn in 2009 and SEK 0.8bn in 2008 – net other income decreased by SEK 405m.

Expenses

Total operating expenses amounted to 28,397m (25,407). Excluding goodwill impairment charges of SEK 2,969m in Eastern Europe (see below) and restructuring cost, total expenses rose by 3 per cent. Adjusted also for a negative foreign exchange translation effect of SEK 1.1bn, total expenses dropped by 2 per cent.

The cost-efficiency gains during the year amounted to SEK 797m, resulting in an accumulated improvement of SEK 1,826m from the start of the efficiency programme in 2007. The efficiency savings more than offset higher pension provisions and redundancy charges.

Staff costs decreased by 4 per cent, to SEK 15,574m (16,241). This was mainly due to lower short-term remuneration and lower redundancy costs. Pension costs more than doubled to SEK 1,544m (739) due to falling returns on plan assets and changed actuarial assumptions regarding longevity.

Staff costs	**Jan - Dec**		
SEK m	**2009**	**2008**	**%**
Salaries	11 832	11 526	*3*
Short-term incentive	795	2 180	*-64*
Long-term incentive	236	- 67	
Pension costs	1 544	739	*109*
Redundancy costs	404	1 050	*-62*
Other staff costs	763	813	*-6*
Total staff costs	**15 574**	**16 241**	**-4**

The cost for short-term incentive remuneration decreased reflecting the overall lower operating result for the Group.

Short-term incentive remuneration	**Jan - Dec**		
SEK m	**2009**	**2008**	**%**
Short-term incentive (STI) to staff	624	1 879	*-67*
Social benefit charges on STI	171	301	*-43*
Total STI	**795**	**2 180**	**-64**
STI/staff costs	5,1%	13,4%	

The costs for long-term incentive programmes increased following the development of performance criteria. Social charges rose due to the share price appreciation in 2009.

Long-term incentive remuneration	**Jan - Dec**		
SEK m	**2009**	**2008**	**%**
Long-term incentive (LTI) to staff	172	15	
Social benefit charges on LTI	64	- 82	*-178*
Total LTI	**236**	**- 67**	
LTI/staff costs	1,5%	-0,4%	
SEB share price development	42%	-63%	

The average number of employees decreased by 1,058 to 20,233 (21,291). The number of staff has decreased by 1,569 since year-end 2008, of which 509 in Sweden, 443 in the Baltic countries and 617 in other countries. The "net 500 programme" for 2009 in Sweden has been completed.

Other expenses rose by 6 per cent, to SEK 8,128m (7,642), including investments in One IT Roadmap, other IT and business development as well as efficiency projects.

Goodwill impairment charges for Eastern Europe

During 2009, the SEB Group's goodwill impairment write-off for its investments in Eastern Europe amounted to SEK 2,969m. Of this, the Baltic countries accounted for SEK 2,298m, Ukraine for SEK 594m and Russia for SEK 77m. Following these impairments, SEB has no goodwill left related to its operations in Eastern Europe.

The goodwill write-offs should be seen in light of the severe economic situation with lower lending volumes and a sharp increase in impaired loans in the region.

Credit losses and provisions

The Group's *net credit losses* increased to SEK 12,448m (3,231), leading to a net credit loss level of 0.92 per cent (0.30). The majority, SEK 10,665m, were provisions for credit losses and SEK 1,783m were write-offs.

Higher collective provisions to meet the deteriorating Baltic economies increased the total provisions for credit losses in the region to SEK 9,573m (1,749). During the year, increased precision in identification of individual impaired exposures and potential recovery rates from collateral values has gradually shifted provisions from collective to specific. The net credit loss level in the Baltic countries was 5.43 per cent (1.27).

Provisions for credit losses in Sweden increased to SEK 1,135 (488), while they decreased to SEK 425m (546) in the other Nordic countries. In Ukraine, SEB provisioned SEK 606m and in Russia SEK 45m, equal to a net credit loss level of 19.39 (2.37) and 1.85 per cent (0.57), respectively.

Individually assessed impaired loans in the Group almost doubled, to SEK 21,324m (11,411). This corresponded to a level of impaired loans of 1.39 per cent (0.73). The total reserve ratio for individually assessed impaired loans increased to 69.5 per cent compared with 68.5 per cent at year-end 2008. The corresponding level and reserve ratio in the Baltic operations were 9.39 per cent (1.98) and 65.3 per cent (59.6), respectively.

The Group's *past due portfolio assessed loans* (homogeneous groups) amounted to SEK 6,937m (3,164), whereof the Baltic region SEK 4,440m (1,896). In addition, SEK 312m of the Baltic household loans have been restructured.

Tax costs

Total tax amounted to SEK 2,200m (2,421). The total tax rate of 65 per cent reflects the non-tax deductibility of the goodwill impairment charges, which added 16 percentage points to the effective tax rate. Furthermore, it is affected by the increased credit provisions in the Baltic countries, where tax rates are between 0-15 per cent.

Business volumes

The Group's total balance sheet of SEK 2,308bn as per 31 December represented a decrease of 8 per cent since year-end 2008. Lending to banks increased, while lending to and deposits from the public dropped by 8 and 5 per cent, respectively. Negative currency effects amounted to SEK 78bn.

SEB's total credit exposure decreased, to SEK 1,816bn (1,934). Currency translation effects explain a third of the decrease. Two thirds are due to reduced corporate and property management customer demand, partly offset by higher Swedish household lending. The Baltic banks' lending decreased by 17 per cent during the year.

SEB's net positions in fixed-income securities for investment, treasury and client trading purposes decreased to SEK 262bn (355) excluding excess liquidity investments in certificates issued by the Swedish National Debt Office.

As of 31 December 2009, assets under management totalled SEK 1,356bn (1,201). Net inflow during the year was SEK 47bn (34) and change in value SEK 108bn (-177). Assets under custody amounted to SEK 4,853bn (3,891).

Bond investment portfolio

As per 31 December, the bond investment portfolio of Merchant Banking had decreased to SEK 90bn from SEK 133bn a year earlier; SEK 9bn of the decrease was due to negative foreign exchange translation effects. The holdings of structured credits in the investment portfolio amounted to SEK 47bn (68) and the holdings of covered bonds and bonds issued by financial institutions in the investment portfolio amounted to SEK 43bn (65).

69 per cent of the structured credits are related to the European markets, 30 per cent to the U.S. market while other markets make up 1 per cent. 60 per cent of the bonds issued by financial institutions involve European, 35 per cent U.S. and 5 per cent Australian institutions. 100 per cent of the holdings of covered bonds are European.

Based on SEB's long-term investment view, risk management has been focused on reducing holdings in the portfolio. Thus, and including the reclassification within the portfolio, the Held-for-Trading holdings decreased to SEK 3bn (8), the Available-for-Sale holdings to SEK 13bn (24) and securities classified as Loans and Receivables to SEK 74bn (101).

The valuation gains and losses are shown below:

Bond investment	Q4	Q3	Q4	Jan - Dec	
portfolio, SEK m	2009	2009	2008	2009	2008
Structured credits	16	28	- 262	- 433	-1 070
Financial institutions	- 55	- 7	11	- 29	- 9
Covered bonds etc.	5	1	64	16	10
Income effect	**- 34**	**22**	**- 187**	**- 446**	**-1 069**
Structured credits	184	259	- 271	641	-1 460
Financial institutions	46	144	- 64	500	- 667
Covered bonds etc.	- 109	727	- 250	233	- 780
Equity effect	**121**	**1 130**	**- 585**	**1 374**	**-2 907**
Total recognized	**87**	**1 152**	**- 772**	**928**	**-3 976**
Fair value of reclassified securities	2 237	3 235	-4 917	1 373	-6 875
Total fair value	**2 324**	**4 387**	**-5 689**	**2 301**	**-10 851**

Including the fair value decline of SEK 2,467m in 2007, the total fair value change – recognized and as a shadow valuation – at year-end 2009 amounted to SEK 11,019m.

The holdings of structured credits in the investment portfolio which are AAA-rated decreased to 62 per cent (93). The causes for the decrease are evenly split between volume effects from amortisations and sales on the one hand, and rating migration on the other. The migration reflects the more harsh, but late, treatment of structured credits by rating agencies and consequently valuation effects on the securities from these actions have been limited. The lower share of AAA-rated securities does not change SEB's views that under prevailing credit market conditions, material defaults on the holdings in the portfolio are unlikely. The risk for impairment charges has increased but is deemed unlikely to be material. There are no impaired assets in the portfolio and a very limited number of 'level 3' assets. The current estimated average duration of the holdings is approximately four years and the current annual amortisation amount is about SEK 8bn.

Market risk

During 2009 the Group's Value at Risk in the trading operations averaged SEK 193m. This means that the Group, on average, with 99 per cent probability, should not expect to lose more than this amount during a ten-day period.

In the third quarter of 2009 SEB implemented an enhanced VaR model, which considers an enlarged number of risk factors. Thus the quoted VaR level is not directly comparable with last year's number. Using the previous model version for the entire year 2009 would give an average over the year of SEK 126m as compared with 151m for the calendar year 2008. On a comparable basis the overall risk level decreased somewhat between 2008 and 2009, with reduced exposure to both interest rate and equity price risk.

More details can be found in appendix 4.

Liquidity and funding

SEB's loan-to-deposit ratio improved to 141 per cent (146), excluding reclassified bond portfolios. This sound structural funding situation in a Nordic context was further supported after having raised the equivalent of SEK 130bn of long-term funding during 2009. On 31 December, the matched funding of net cash inflows and outflows was around 18 months (7 months).

SEB continued to maintain a large pool of assets eligible for pledging with central banks close to SEK 300bn.
SEB has taken considerable measures to safeguard its financial stability. While participating in the Swedish Funding Guarantee Programme between May-October 2009, no securities were issued under the programme.

Capital position

As per 31 December 2009 the Group's Basel II risk-weighted assets (RWA) amounted to SEK 730bn, leading to a Tier I capital ratio of 13.9 per cent (10.1) and a core Tier I capital ratio of 11.7 per cent (8.6). The total capital ratio was 14.7 per cent (12.8).

Risk-weighted assets decreased by 11 per cent or SEK 88bn during 2009, of which SEK 24bn due to the stronger Swedish krona. The remaining change is the net effect of risk class migration, Basel II methodology advances and a reduction of business volumes.

Adjusted for the supervisory transitional rules during the first Basel II years, SEB reports RWA of SEK 795bn (986), a Tier I capital ratio of 12.8 per cent (8.4) and a total capital ratio of 13.5 per cent (10.6). The lowering in 2009 of Basel II implementation floors (from 90 to 80 per cent of Basel I requirements) is reflected in these ratios.

Appendix 3 exposes capital adequacy details.

Capital measures during 2009

SEB completed a SEK 15.1bn rights issue by the end of April. The core Tier I capital has been further strengthened by the capital gain of SEK 1.3bn from the completed tender to buy back GBP 400m of subordinated debt at 75 per cent of face value during the second quarter. The buy-back reduced the capital base by SEK 3.9bn.

The goodwill impairment related to SEB's Eastern European business in the first half of the year was neutral to the Tier I capital and the capital base, since this goodwill was already deducted from Tier I capital.

With effect in the fourth quarter, SEB completed two measures to increase the core Tier I ratio, improve the quality of hybrid capital in Tier I and reduce the capital ratio volatility through improved currency matching of risk-weighted assets and the capital base. The first measure was to issue EUR 500m of non-innovative capital contribution securities and the other measure was a tender for SEB's two USD denominated innovative capital contribution securities. USD 256m was repurchased out of an outstanding amount of USD 1,100m. As a consequence, SEB recorded a capital gain of SEK 270m, which improved core Tier I capital.

Risks and uncertainties

The macroeconomic environment is the major driver of risk to the Group's earnings and financial stability. In particular, it affects the asset quality and thereby the credit risk of the Group. (The credit portfolio is described in Appendix 2). The medium-term outlook for the global economy has stabilised, even if global imbalances persist for the nearest future.

There are also financial risks, mainly in the form of price risks (details on market risks are described in Appendix 4). Credit and market risks as well as other risks and the management of all the risks of the Group and the Parent Company are described in SEB's annual report for 2008 (see pp 36-51 and Note 44). This view is still valid.

The economic imbalances in the Baltic countries constitute specific risks and uncertainties for the Group.

The risk for impairment charges in the bond investment portfolio has increased during the year, but is unlikely to have a material effect (see Bond investment portfolio).

Rating

In March 2009, Standard & Poors changed its outlook from stable to negative, but affirmed SEB's long-term A rating. In April, Moody's lowered SEB's rating from Aa2 to A1, with a negative outlook. In June 2009, Fitch affirmed SEB's long-term rating at A+ with stable outlook. The rating agencies refer to the Baltic macroeconomic challenges as the main rating driver. SEB targets a long-term AA rating.

Investments and divestments

In 2009, SEB acquired 100 per cent of the shares in the Norwegian corporate finance boutique Astrup & Partners AS.

During the year SEB divested the business of its Polish mutual funds company SEB TFI, the operations of its 51 per cent share in the Norwegian car financing company Møller BilFinans and its 24 per cent share of Privatgirot. In November, SEB agreed with NASDAQ OMX Nordic to sell all of its minority shareholdings in the Tallinn and Vilnius respective exchanges. The transactions had a limited impact on the Group's financials.

Dividend

The Board proposes a dividend of SEK 1.00 per Class A and Class C share respectively. The total dividend amounts to SEK 2,193m (0), calculated on the total number of issued shares as per 31 December 2009, including repurchased shares. The SEB share will be traded ex dividend on 12 May 2010.

The proposal shall be seen with reference to the decision to cancel dividend in conjunction with the rights issue in 2009, the improved outlook for the economic environment and the Group's capital situation.

Outlook for 2010

Since mid-2009 the economic outlook for the global economy has been revised upwards. At the same time, clear signs of recovery have been visible in the financial markets. Whilst global imbalances persist and may affect the nearest future, SEB's asset quality is expected to remain robust in the Nordic countries and Germany. The Baltic asset quality situation is expected to improve in 2010 (see pages 18-19).

Stockholm, 10 February 2010

Annika Falkengren
President and Chief Executive Officer

The President declares that these Annual Accounts for 2009 provide a fair overview of the Parent Company's and Group's operations, their financial position and results and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

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

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

Access to telephone conference and video web cast

The telephone conference at 15.00 on 10 February 2010 with CEO Annika Falkengren and CFO Jan Erik Back can be accessed by telephone, +44 (0) 20 7162 0025, please quote conference id: 856098, not later than 10 minutes in advance. The conference will be available on www.sebgroup.com/IR.

Financial information during 2010

10 February	Annual Accounts for 2009
18 March	Annual Report on www.sebgroup.com
28 April	Interim Report January-March 2010
11 May	Annual General Meeting
13 July	Interim Report January-June 2010
28 October	Interim Report January-September 2010

Further information is available from

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Accounting policies

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

Changes in accounting standards

Changes in the value of assets taken over are accounted for in the item Net other income as from January 2009.
IAS 1 "Presentation of financial statements" - an additional statement for Other comprehensive income (changes in equity besides owner transactions) has been added and the Statement of changes in equity has been amended. The Group has implemented IFRS 8 "Operating segments". The new standard states that the segment reporting is to be presented according to management view and follow the internal reporting. The implementation of IFRS 8 has had no impact on the operating segments presented. The implementation of the revised IAS 23 "Borrowing costs" has no material impact on the Group.

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

The parent company has chosen to implement RFR 2.3 (Rådet för finansiell rapportering) in advance and presents Other comprehensive income in connection with the income statement.

The SEB Group

Income statement – SEB Group

Condensed	Q4	Q3		Q4		Jan - Dec		
SEK m	**2009**	**2009**	**%**	**2008**	**%**	**2009**	**2008**	**%**
Net interest income	3 697	4 519	*-18*	5 513	*-33*	19 490	18 710	*4*
Net fee and commission income	3 877	3 566	*9*	3 790	*2*	14 460	15 254	*-5*
Net financial income	935	946	*-1*	1 723	*-46*	4 485	2 970	*51*
Net life insurance income	932	857	*9*	516	*81*	3 597	2 375	*51*
Net other income	433	- 153		1 153	*-62*	2 181	1 795	*22*
Total operating income	**9 874**	**9 735**	***1***	**12 695**	***-22***	**44 213**	**41 104**	***8***
Staff costs	-3 186	-3 735	*-15*	-4 597	*-31*	-15 574	-16 241	*-4*
Other expenses	-2 473	-1 899	*30*	-1 968	*26*	-8 128	-7 642	*6*
Depreciation of assets	- 467	- 381	*23*	- 400	*17*	-4 695	-1 524	
Total operating expenses	**-6 126**	**-6 015**	***2***	**-6 965**	***-12***	**-28 397**	**-25 407**	***12***
Profit before credit losses etc	**3 748**	**3 720**	***1***	**5 730**	***-35***	**15 816**	**15 697**	***1***
Gains less losses from tangible and intangible assets	- 24	3		1		4	5	*-20*
Net credit losses	-3 160	-3 335	*-5*	-1 703	*86*	-12 448	-3 231	
Operating profit	**564**	**388**	***45***	**4 028**	***-86***	**3 372**	**12 471**	***-73***
Income tax expense	- 277	- 350	*-21*	- 519	*-47*	-2 200	-2 421	*-9*
Net profit from continuing operations	**287**	**38**		**3 509**	***-92***	**1 172**	**10 050**	***-88***
Discontinued operations	- 3	- 1	*200*	- 2	*50*	6		
Net profit	**284**	**37**		**3 507**	**- 92**	**1 178**	**10 050**	**- 88**
Attributable to minority interests	27	12	*125*	1		64	9	
Attributable to equity holders *	257	25		3 506	*-93*	1 114	10 041	*-89*
* Basic earnings per share, SEK	0.12	0.01		3.62		0.58	10.36	
Diluted earnings per share, SEK	0.12	0.01		3.62		0.58	10.36	

Statement of comprehensive income

	Q4	Q3		Q4		Jan - Dec		
SEK m	**2009**	**2009**	**%**	**2008**	**%**	**2009**	**2008**	**%**
Net profit	**284**	**37**		**3 507**	***-92***	**1 178**	**10 050**	***-88***
Translation of foreign operations	244	- 11		242	1	- 187	152	
Available-for-sale financial assets	214	1 488	*-86*	-775		1 966	-2 624	
Cash flow hedges	- 18	- 476	*-96*	1 676		- 974	1 607	
Other	- 42	- 880	*-95*	1 594		- 749	2 066	
Other comprehensive income (net of tax)	**398**	**121**		**2 737**	***-85***	**56**	**1 201**	**- 95**
Total comprehensive income	**682**	**158**		**6 244**	***-89***	**1 234**	**11 251**	**- 89**
Attributable to minority interests	16	12	*33*	9	78	60	1	
Attributable to equity holders	666	146		6 235	-89	1 174	11 250	*-90*

Key figures - SEB Group

	Q4 2009	Q3 2009	Q4 2008	Jan - Dec 2009	Jan - Dec 2008
Return on equity, %	1.0	0.1	17.6	1.2	13.1
Return on total assets, %	0.05	0.00	0.57	0.05	0.42
Return on risk-weighted assets, %	0.13	0.01	1.46	0.13	1.13
Basic earnings per share, SEK	0.12	0.01	3.62	0.58	10.36
Weighted average number of shares, millions*	2 194	2 194	969	1 906	966
Diluted earnings per share, SEK	0.12	0.01	3.62	0.58	10.36
Weighted average number of diluted shares, millions**	2 201	2 200	970	1 911	967
Net worth per share, SEK	50.08	49.91	94.81	50.08	94.81
Average equity, SEK billion	99.3	98.7	79.8	95.4	76.4
Cost/income ratio	0.62	0.62	0.55	0.64	0.62
Level of net credit losses, %	0.93	0.98	0.62	0.92	0.30
Total reserve ratio for individually assessed impaired loans, %	69.5	72.2	68.5	69.5	68.5
Net level of impaired loans, %	0.72	0.70	0.41	0.72	0.41
Gross level of impaired loans, %	1.39	1.26	0.73	1.39	0.73
Basel II (Legal reporting with transitional floor) :***					
Risk-weighted assets, SEK billion	795	806	986	795	986
Core Tier 1 capital ratio, %	10.74	10.94	7.11	10.74	7.11
Tier 1 capital ratio, %	12.78	12.53	8.36	12.78	8.36
Total capital ratio, %	13.50	14.12	10.62	13.50	10.62
Basel II (without transitional floor):					
Risk-weighted assets, SEK billion	730	747	818	730	818
Core Tier 1 capital ratio, %	11.69	11.80	8,57	11.69	8,57
Tier 1 capital ratio, %	13.91	13.51	10.08	13.91	10.08
Total capital ratio, %	14.69	15.23	12.81	14.69	12.81
Basel I:					
Risk-weighted assets, SEK billion	1 003	1 019	1 127	1 003	1 127
Core Tier 1 capital ratio, %	8.51	8.65	6.22	8.51	6.22
Tier 1 capital ratio, %	10.13	9.91	7.32	10.13	7.32
Total capital ratio, %	10.70	11.16	9.29	10.70	9.29
Number of full time equivalents****	19 562	19 912	21 131	20 233	21 291
Assets under custody, SEK billion	4 853	4 743	3 891	4 853	3 891
Assets under management, SEK billion	1 356	1 295	1 201	1 356	1 201

* The number of issued shares was 2,194,171,802 after the rights issue in March 2009 (687,156,631 at year-end 2008). SEB owned 2.2 million Class A shares for the employee stock option programme at year-end 2008. During 2009 1.4 million net of these shares have been sold as employee stock options have been exercised. Thus, as of 31 December SEB owned 0.8 million Class A-shares with a market value of SEK 36m.

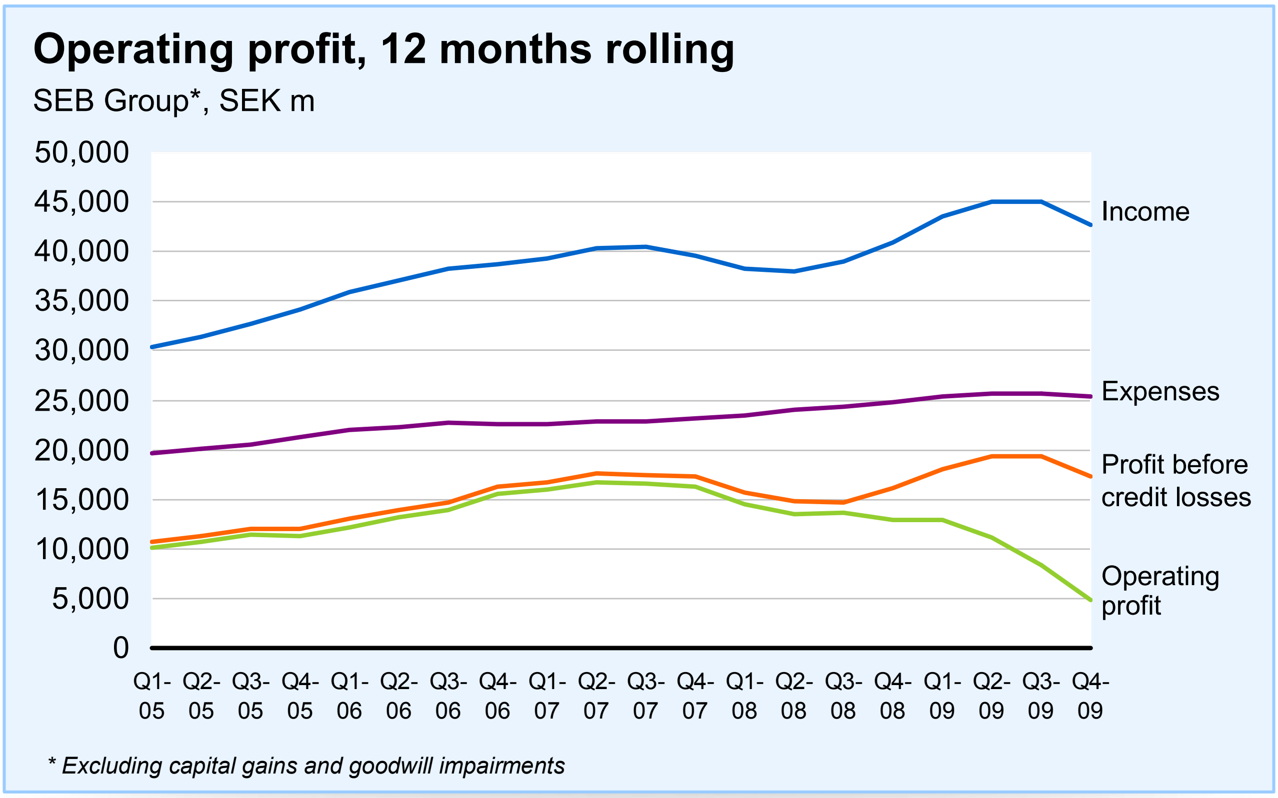
** Calculated dilution based on the estimated economic value of the long-term incentive programmes.

*** 80 per cent of RWA in Basel I for 2009 and 90 per cent of RWA in Basel I for 2008.

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

Income statement on quarterly basis - SEB Group

SEK m	2009:4	2009:3	2009:2	2009:1	2008:4
Net interest income	3 697	4 519	5 370	5 904	5 513
Net fee and commission income	3 877	3 566	3 802	3 215	3 790
Net financial income	935	946	1 471	1 133	1 723
Net life insurance income	932	857	946	862	516
Net other income	433	- 153	1 585	316	1 153
Total operating income	**9 874**	**9 735**	**13 174**	**11 430**	**12 695**
Staff costs	-3 186	-3 735	-4 262	-4 391	-4 597
Other expenses	-2 473	-1 899	-1 918	-1 838	-1 968
Depreciation of assets	- 467	- 381	-2 832	-1 015	- 400
Total operating expenses	**-6 126**	**-6 015**	**-9 012**	**-7 244**	**-6 965**
Profit before credit losses etc	**3 748**	**3 720**	**4 162**	**4 186**	**5 730**
Gains less losses from tangible and intangible assets	- 24	3	23	2	1
Net credit losses	-3 160	-3 335	-3 567	-2 386	-1 703
Operating profit	**564**	**388**	**618**	**1 802**	**4 028**
Income tax expense	- 277	- 350	- 792	- 781	- 519
Net profit from continuing operations	**287**	**38**	**- 174**	**1 021**	**3 509**
Discontinued operations	- 3	- 1	4	6	- 2
Net profit	**284**	**37**	**- 170**	**1 027**	**3 507**
Attributable to minority interests	27	12	23	2	1
Attributable to equity holders*	257	25	- 193	1 025	3 506
* Basic earnings per share, SEK	0.12	0.01	- 0.09	1.03	5.12
Diluted earnings per share, SEK	0.12	0.01	- 0.09	1.03	5.12



Income statement, by Division – SEB Group

Jan-Dec 2009, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Baltic	Other incl eliminations	SEB Group
Net interest income	9 982	6 879	598	- 18	2 679	- 630	19 490
Net fee and commission income	5 647	4 428	2 955		934	496	14 460
Net financial income	4 377	290	76		126	- 384	4 485
Net life insurance income				4 443		- 846	3 597
Net other income	46	83	17		55	1 980	2 181
Total operating income	**20 052**	**11 680**	**3 646**	**4 425**	**3 794**	**616**	**44 213**
Staff costs	-3 529	-4 052	-1 229	-1 107	- 730	-4 927	-15 574
Other expenses	-3 863	-4 433	-1 160	- 536	-1 452	3 316	-8 128
Depreciation of assets	- 155	- 180	- 116	- 667	-2 389	-1 188	-4 695
Total operating expenses	**-7 547**	**-8 665**	**-2 505**	**-2 310**	**-4 571**	**-2 799**	**-28 397**
Profit before credit losses etc	**12 505**	**3 015**	**1 141**	**2 115**	**- 777**	**-2 183**	**15 816**
Gains less losses from tangible and intangible assets	- 1	- 2	29		- 17	- 5	4
Net credit losses	- 805	-1 369	- 28		-9 569	- 677	-12 448
Operating profit	**11 699**	**1 644**	**1 142**	**2 115**	**-10 363**	**-2 865**	**3 372**

* Business result in Life amounted to SEK 3 015m (2 052), of which change in surplus values was net SEK 900m (989).

Merchant Banking

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

Income statement

	Q4	Q3		Q4		Jan- Dec		
SEK m	**2009**	**2009**	%	**2008**	%	**2009**	**2008**	%
Net interest income	1 978	2 402	*- 18*	2 613	*- 24*	9 982	7 414	*35*
Net fee and commission income	1 531	1 326	*15*	1 163	*32*	5 647	5 248	*8*
Net financial income	712	981	*- 27*	1 813	*- 61*	4 377	3 625	*21*
Net other income	- 101	40		341	*- 130*	46	526	*- 91*
Total operating income	**4 120**	**4 749**	***- 13***	**5 930**	***- 31***	**20 052**	**16 813**	***19***
Staff costs	- 556	- 775	*- 28*	- 954	*- 42*	-3 529	-3 890	*- 9*
Other expenses	- 958	- 942	*2*	- 918	*4*	-3 863	-3 594	*7*
Depreciation of assets	- 61	- 35	*74*	- 30	*103*	- 155	- 95	*63*
Total operating expenses	**-1 575**	**-1 752**	***- 10***	**-1 902**	***- 17***	**-7 547**	**-7 579**	***0***
Profit before credit losses etc	**2 545**	**2 997**	***- 15***	**4 028**	***- 37***	**12 505**	**9 234**	***35***
Gains less losses on assets	- 1			1	*- 200*	- 1	5	*- 120*
Net credit losses	- 52	- 107	*- 51*	- 592	*- 91*	- 805	- 889	*- 9*
Operating profit	**2 492**	**2 890**	***- 14***	**3 437**	***- 27***	**11 699**	**8 350**	***40***
Cost/Income ratio	0,38	0,37		0,32		0,38	0,45	
Business equity, SEK bn	35,1	35,1		27,0		35,1	27,0	
Return on equity, %	20,4	23,7		36,7		24,0	22,3	
Number of full time equivalents	2 539	2 582		2 698		2 630	2 721	

- Record annual income and profits based on further growth in the Nordic franchise
- Strong asset quality and lower credit losses
- Continued leadership in investment banking and other core business segments confirmed

Comments on 2009

A solid fourth quarter with strong fee income and continued low credit losses concluded a record year for Merchant Banking in terms of both income and profits. This partly reflects the high market volatility at the beginning of the year and the swift central bank policy response. Total operating income increased by over SEK 3bn compared to 2008. Low credit losses and continued efficiency measures as well as lower variable compensation increased operating profit by 40 per cent year-on-year. The unusually high net interest income during the first half of the year normalised towards year-end, although a positive underlying trend was still visible in *Corporate Banking*.

Demand for new financing was modest among most corporate clients, with lower utilisation of credit facilities. However, volumes were supported by inflow of new customers. Asset quality remained robust, both in terms of the lending portfolio and the strategic investment portfolio, which was reduced in size to SEK 90bn (133).

Market volatility subsided as the year progressed and risk appetite increased. Improved confidence led to a reduction in liquidity risk premiums and a recovery in asset valuations. The normalised market conditions resulted in lower activity in *Trading and Capital Markets*, notably within foreign exchange, and some reduction in new lending margins compared to those prevailing a year earlier. As corporate bond issuance resumed, SEB was the leading arranger of SEK denominated bonds in 2009 and in general grew its market share for Nordic issuers.

Despite improved sentiment, stock market volumes were cyclically low throughout 2009 and equities income was relatively weak. Continued leadership in this area was confirmed by the recent Prospera survey in which Nordic institutions again ranked SEB Enskilda number one in the region. SEB Enskilda was also lead advisor on many of the region's key M&A transactions, including, in the fourth quarter, the sale of Norfolk Holdings by Danish shipping group A.P. Møller-Mærsk, Ericsson's acquisition of parts of Nortel Networks and the privatisation of the larger part of the Swedish state-owned pharmacy business Apoteket.

Revenues in *Global Transaction Services* stabilised in the latter part of the year as interest rates and transaction volumes bottomed out and asset values increased. At year-end, assets under custody were SEK 4,853bn (3,891).

In a year where financial markets faced historic challenges and a number of foreign banks reduced their commitment to the region, SEB was an active partner for clients in its core markets, supporting them financially and with advice in periods of market stress. The enhanced relationships forged during this period are expected to provide a strong platform for future growth.

Retail Banking

The Retail Banking division consists of three business areas - Sweden, Germany and Card.

Income statement

	Q4	Q3		Q4		Jan- Dec		
SEK m	**2009**	**2009**	*%*	**2008**	*%*	**2009**	**2008**	*%*
Net interest income	1 642	1 651	*- 1*	1 929	*- 15*	6 879	7 195	*- 4*
Net fee and commission income	1 158	1 089	*6*	1 165	*- 1*	4 428	4 691	*- 6*
Net financial income	82	55	*49*	71	*15*	290	248	*17*
Net other income	22	26	*- 15*	48	*- 54*	83	92	*- 10*
Total operating income	**2 904**	**2 821**	***3***	**3 213**	***- 10***	**11 680**	**12 226**	***- 4***
Staff costs	- 911	-1 022	*- 11*	- 973	*- 6*	-4 052	-3 828	*6*
Other expenses	-1 127	-1 088	*4*	-1 156	*- 3*	-4 433	-4 283	*4*
Depreciation of assets	- 41	- 43	*- 5*	- 58	*- 29*	- 180	- 222	*- 19*
Total operating expenses	**-2 079**	**-2 153**	***- 3***	**-2 187**	***- 5***	**-8 665**	**-8 333**	***4***
Profit before credit losses etc	**825**	**668**	***24***	**1 026**	***- 20***	**3 015**	**3 893**	***- 23***
Gains less losses on assets	- 1	- 1	*0*	2	*- 150*	- 2	2	*- 200*
Net credit losses	- 382	- 364	*5*	- 240	*59*	-1 369	- 650	*111*
Operating profit	**442**	**303**	***46***	**788**	***- 44***	**1 644**	**3 245**	***- 49***
Cost/Income ratio	0,72	0,76		0,68		0,74	0,68	
Business equity, SEK bn	15,8	15,8		14,5		15,8	14,5	
Return on equity, %	9,0	6,3		15,7		8,2	16,2	
Number of full time equivalents	4 974	5 007		5 275		5 078	5 346	

- Swedish Retail strenghtened customer relations, +12,200 new SMEs and increased lending volumes
- Retail Germany negatively affected by lower market interest rates and lower customer activity
- Supported by low funding costs, the Card business showed its best result to date

Comments on 2009

The Retail division's income and result for the last quarter of 2009 improved slightly compared with the previous quarter, resulting in an operating result of SEK 1,644m (3,245) for the full year. Financial performance during 2009 was significantly negatively affected as income from deposits contracted following sharply lower policy rates. Contribution from lending increased.

Retail Sweden gained market share in the important mortgage market. Volume growth continued and margins recovered slightly. Credit-granting criteria tightened in order to safeguard asset quality in a future more normalised interest rate environment. In the market for small and medium-sized enterprises, where lending growth was more modest in 2009, SEB strengthened its position as reflected both by external ratings (SEB was awarded the Swedish Magazine Privata Affärer's annual award "SME bank of the year") and by attracting 12,200 new customers. Overall customer interaction intensified as exemplified by 19 per cent higher incoming phone calls in the telephone bank and the launch of smartphone services. Annual operating expenses grew by less than 1 per cent. Focus on efficiency improvement remained intense and by year end a net reduction of 200 employees had been completed. Provisions for credit losses amounted to SEK 395m (190); asset quality has so far weathered the economic downturn relatively well. Retail Sweden's operating profit for 2009 was SEK 1,878m (2,378).

Retail Germany could not offset the negative effects from lower market interest rates and customer activity. Fourth quarter credit loss provisions of SEK 159m were in line with the second and third quarter bringing the annual provisions to SEK 529m. The sharp increase in provisions compared with 2008 was due to reversals in previous years, losses outside the core retail portfolio and slightly impaired credit quality in several parts of the retail lending portfolio. Retail Germany's operating profit for 2009 amounted to SEK -1,246m (134).

For the *Card* business area, 2009 was a year of all time high both in terms of income and operating profit. Although growth in card turnover has been held back by macroeconomic forces, market conditions provided strong support through low funding costs. Provisions for credit losses and fraud in the fourth quarter were lower than previous quarters of 2009 and total annual net credit losses amounted to SEK 445m (401). Operating profit for 2009 was SEK 1,012m (734).

Wealth Management

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

Income statement

	Q4	Q3		Q4		Jan- Dec		
SEK m	**2009**	**2009**	*%*	**2008**	*%*	**2009**	**2008**	*%*
Net interest income	116	133	*- 13*	213	*- 46*	598	892	*- 33*
Net fee and commission income	853	730	*17*	1 118	*- 24*	2 955	3 680	*- 20*
Net financial income	23	17	*35*	26	*- 12*	76	67	*13*
Net other income	3	1	*200*	11	*- 73*	17	50	*- 66*
Total operating income	**995**	**881**	***13***	**1 368**	***- 27***	**3 646**	**4 689**	***- 22***
Staff costs	- 250	- 302	*- 17*	- 347	*- 28*	-1 229	-1 427	*- 14*
Other expenses	- 310	- 272	*14*	- 325	*- 5*	-1 160	-1 132	*2*
Depreciation of assets	- 24	- 29	*- 17*	- 29	*- 17*	- 116	- 101	*15*
Total operating expenses	**- 584**	**- 603**	***- 3***	**- 701**	***- 17***	**-2 505**	**-2 660**	***- 6***
Profit before credit losses etc	**411**	**278**	***48***	**667**	***- 38***	**1 141**	**2 029**	***- 44***
Gains less losses on assets	- 1	1	*- 200*			29		
Net credit losses	- 8			- 15	*- 47*	- 28	- 18	*56*
Operating profit	**402**	**279**	***44***	**652**	***- 38***	**1 142**	**2 011**	***- 43***
Cost/Income ratio	0,59	0,68		0,51		0,69	0,57	
Business equity, SEK bn	5,5	5,5		6,6		5,5	6,6	
Return on equity, %	21,1	14,6		28,5		14,9	21,9	
Number of full time equivalents	1 000	981		1 088		1 016	1 133	

- Private Banking confirmed its Swedish leadership – higher net sales and strong customer acquisition
- Competitive investment performance and gradually higher income from recovery of assets values
- Compensation to mutual fund holders due to lack of information about pricing model

Comments on 2009

Operating profit gained momentum during the year as the economic sentiment and market capitalisation improved.

Operating income for 2009 dropped by 22 per cent. This was mainly due to a 2 per cent reduction of average assets under management and lower performance and transaction fees which decreased to SEK 383m (654). Brokerage income was strong, while the low interest rate levels continued to negatively affect net interest income, at SEK 598m (892). Income was also negatively affected by SEK 185m for the effects of SEB's use of so called swing prices used since 2006. The pricing adjustment is commonly used in Europe in order to protect long-term investors from costs generated by large in and outflows in funds. The mutual fund holders in the Swedish funds were not informed about the model. SEB has thus decided to compensate investors who were negatively affected. SEB has not benefited from the model as it has strictly meant a reallocation between investors and it is no longer applied.

Operating expenses dropped by 6 per cent.

SEB is the second largest mutual fund manager in Sweden. Net sales on the Swedish mutual fund market improved during 2009, despite large outflows from short-term fixed income funds, in line with SEB's customer recommendation. SEB had the largest net inflows in equity funds and long-term fixed income funds.

The division's total assets under management rose by 11.6 per cent, to SEK 1,275bn, primarily due to increased asset values and good net sales of SEK 41bn (33). Investment performance improved strongly in 2009. 64 per cent (34) of portfolios and 73 per cent (33) of assets under management were ahead of their respective benchmarks.

Gradually increasing asset values improved the result for *Institutional Clients* business area. Performance fees, albeit lower than last year, have been generated from a larger number of funds and mandates. Transaction fees from the German open real estate funds resumed after the funds being closed at the beginning of the year to protect investors. Net sales increased by 78 per cent to SEK 31bn (17). The third party distribution grew both in Sweden and globally. During the year the risk appetite increased with a clear shift towards global equity areas.

Private Banking generated net sales of SEK 17bn (19). Assets under management recovered and increased by 29 per cent. Private Banking's investment programmes, aimed at creating more stable returns on investments, were successful as were the Equity Sales initiatives – Nordic Select, Nordic Absolute Return and Nordic Ideas –with performance well above their benchmarks. Client acquisition remained strong and over the last three years the number of clients has increased by 17 per cent.

Life

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

Income statement

SEK m	Q4 2009	Q3 2009	%	Q4 2008	%	Jan- Dec 2009	Jan- Dec 2008	%
Net interest income	- 1	- 2	*- 50*	- 4	*- 75*	- 18	- 36	*- 50*
Net life insurance income	1 145	1 107	*3*	739	*55*	4 443	3 296	*35*
Total operating income	**1 144**	**1 105**	***4***	**735**	***56***	**4 425**	**3 260**	***36***
Staff costs	- 263	- 271	*- 3*	- 292	*- 10*	-1 107	-1 105	*0*
Other expenses	- 144	- 120	*20*	- 117	*23*	- 536	- 523	*2*
Depreciation of assets	- 167	- 158	*6*	- 115	*45*	- 667	- 569	*17*
Total operating expenses	**- 574**	**- 549**	***5***	**- 524**	***10***	**-2 310**	**-2 197**	***5***
Operating profit	**570**	**556**	***3***	**211**	***170***	**2 115**	**1 063**	***99***
Change in surplus values, net	170	224	*- 24*	380	*- 55*	900	989	*- 9*
Business result	**740**	**780**	***- 5***	**591**	***25***	**3 015**	**2 052**	***47***
Cost/Income ratio	0,50	0,50		0,71		0,52	0,67	
Business equity, SEK bn	6,8	6,8		7,5		6,8	7,5	
Return on equity, %								
based on operating profit	29,5	28,8		9,9		27,4	12,5	
based on business result	38,3	40,4		27,7		39,0	24,1	
Number of full time equivalents	1 173	1 184		1 226		1 191	1 233	

- Best year ever supported by a positive trend in market values
- Higher sales and premium income leveraging the multipe distribution channels
- Profit growth in all business areas

Comments on 2009

Operating profit doubled compared with 2008. Excluding the effect of recovered provisions for traditional portfolio guarantees, the increase in profit was 29 per cent. All business areas showed significant profit improvements compared with the previous year.

Unit-linked income continued to improve as a result of positive market trends since April and increased risk appetite among policyholders, switching from fixed income related funds to equity related alternatives. The total fund value at year-end was 36 per cent higher than a year ago. The result for sickness insurance and care products was higher than last year. The return in the investment portfolio for own account in the Danish business was higher than last year due to falling interest rates. Also the investment return in client funds in the traditional business improved to a satisfactory level.

Provisions made in prior years to cover potential future guarantees in the traditional life portfolios in Sweden were to a large extent recovered, SEK 286m (-353m), of which SEK 43m relates to the fourth quarter. The remaining SEK 105m of provisions from prior years are recoverable, if future investment returns are adequate to meet guaranteed bonus rate levels over time.

Operating expenses, excluding depreciations, were stable compared with last year but decreased if adjusted for the negative impact of the weak Swedish currency.

Depreciation of deferred acquisition costs increased and will continue to do so but should be compared to the increase in unit-linked income.

Unit-linked insurance remains the major product group, representing 80 per cent (75) of total sales. The share of corporate pension decreased to 61 per cent (69) because of high volumes of endowment policies in Sweden. An increase of corporate pension was noted during the second half of the year.

Total sales weighted volume increased by 4 per cent and the share of regular premium contracts was 80 per cent (82). Sales were more or less evenly split between the broker channel and SEB's own sales force including the retail branches. The new business sales margin was 14.3 per cent compared with 18.6 per cent last year. In Sweden, sales increased by 10 per cent while the volume in Denmark decreased by 5 per cent. Sales of Portfolio Bond from SEB Life, Ireland were up by 9 per cent compared to last year's record volume. Sales in the Baltic countries were down 29 per cent and the total volume was modest, albeit improving towards year-end.

Total premium income increased by 6 per cent, to SEK 30.6bn (28.9). The total value of unit-linked funds was SEK 156bn compared with 115bn in 2008. Total assets under management (net assets) increased by 13 per cent to SEK 402bn.

Baltic

The Baltic division consists of three business areas - Estonia, Latvia and Lithuania.

Income statement

	Q4	Q3		Q4		Jan- Dec		
SEK m	**2009**	**2009**	*%*	**2008**	*%*	**2009**	**2008**	*%*
Net interest income	522	628	*- 17*	923	*- 43*	2 679	3 555	*- 25*
Net fee and commission income	221	227	*- 3*	242	*- 9*	934	948	*- 1*
Net financial income	31	35	*- 11*	45	*- 31*	126	150	*- 16*
Net other income	57	- 6		41	*39*	55	130	*- 58*
Total operating income	**831**	**884**	***- 6***	**1 251**	***- 34***	**3 794**	**4 783**	***- 21***
Staff costs	- 137	- 176	*- 22*	- 174	*- 21*	- 730	- 743	*- 2*
Other expenses	- 464	- 307	*51*	- 330	*41*	-1 452	-1 228	*18*
Depreciation of assets	- 21	- 15	*40*	- 23	*- 9*	-2 389	- 86	
Total operating expenses	**- 622**	**- 498**	***25***	**- 527**	***18***	**-4 571**	**-2 057**	***122***
Profit before credit losses etc	**209**	**386**	***- 46***	**724**	***- 71***	**- 777**	**2 726**	***- 129***
Gains less losses on assets	- 16	3				- 17		
Net credit losses	-2 584	-2 642	*- 2*	- 853		-9 569	-1 709	
Operating profit	**-2 391**	**-2 253**	***6***	**- 129**		**-10 363**	**1 017**	
Cost/Income ratio	0,75	0,56		0,42		1,20	0,43	
Business equity, SEK bn	11,8	11,8		10,8		11,8	10,8	
Return on equity, %	negative	negative		negative		negative	8,0	
Number of full time equivalents	3 093	3 252		3 353		3 275	3 404	

- Resilient income generation despite challenging economic environment
- SEB ranked number one by private customers in the Baltic region
- Stabilisation of past due volumes and work-out progress signals limit to future downside risks
- Full goodwill impairment during the second quarter of 2009

Comments on 2009

The operating profit for the year was SEK -10,363m (1,017), including goodwill impairment of SEK 2,281m.

Despite the severe macroeconomic development, operating income only decreased by 21 per cent. Income was negatively affected by lower business volumes and deposit margin pressure following the unprecedented low short-term rates. The majority of the net interest income reduction arose in Lithuania. It also fell in Latvia whereas the effect on the Estonian business was only limited. The overall volume of loans and deposits was also reduced in the year. Total income started to show signs of stabilisation towards the end of the year.

Operating expenses excluding goodwill impairment rose by 11 per cent, principally due to foreign exchange effects. Baltic division's staff costs decreased slightly, whereas other costs increased following costs for restructuring and work-out support and the SEK 120m compensation to bond investors in Estonia, as earlier communicated. Additionally, other costs in the fourth quarter include costs for rationalising SEB's branch network in the Baltic countries. During the year 31 branches were closed in the three Baltic countries. An overall staff reduction of 260 employees was made within the Baltic division in 2009, decreasing the average number of employees to 3,093 compared with 3,353 twelve months ago.

The severe Baltic macroeconomic environment throughout 2009 led to a continuously high level of provisioning for credit losses at SEK 9,569m (1,709). Non-performing loan volumes increased sharply during the year, although volumes of past due loans are flattening out in the fourth quarter.

Management focus during the year has gradually shifted towards the long-term development of the already strong customer franchise. Private customers in November ranked SEB the No. 1 bank in the Baltic region. SEB is seeking to conduct its restructuring and work-out activities in close cooperation with its customers in order to find common ground for managing through a difficult situation.

More information on the current situation in the Baltic countries may be found on page 18.

Baltic update

- Challenging macro-economic outlook, but the period of rapid GDP decline is over
- Tailored restructuring and work-out activities in close dialogue with customers
- Material slowdown of new High-Risk volumes and new past-due loans

Macro-economic outlook
The Baltic countries were among the hardest hit by the global crisis and recessession and the overall situation for the region remains challenging with unemployment varying between 12 and 15 per cent. Above all, domestic demand has plummeted as a consequence of the dramatic fiscal tightening implemented in order to avert unmanageable budget deficits. However, the situation started to stabilise in the second half of 2009 and a more broad-based recovery in the region is currently expected in the second half of 2010. SEB's main scenario is that growth will be around 2 per cent in Estonia and 1 per cent in Lithuania in 2010, while GDP will continue to fall in Latvia. In 2011 we foresee GDP growth of 3-5 per cent in all three countries.

Intensified restructuring and work-out activities
In 2007, SEB established a Special Credits Management Unit – a restructuring and work-out team – which now includes over 200 staff located in or focused on the Baltic region.

All exposures exceeding the equivalent of 1 million euro and which have a risk class of above 7 in SEB's risk classification system (1: best – 16: default) have been thoroughly reviewed, action plans developed and appropriate involvement of the work-out team implemented. All action plans are followed up in the so called High Risk Committees. Any client where there is a near term likelihood of a downward migration to risk class 13 or worse is considered a High Risk client. This wide definition, which goes beyond the traditional watch-list, facilitates early and prompt addressing of potential future credit losses through early warning signals. The purpose is to ensure that Group special credit and workout standards are applied.

Exposures below the equivalent of 1 million euro are managed and monitored by local work-out teams.

Tailored restructuring and work-out strategies
Adapting the restructuring and work-out strategy to the customer profile and collateral type has been an important issue:

a) transportation and equipment leasing portfolios
The leasing portfolio in the Baltic region containing leased cars, trucks as well as other transportation vehicles and equipment amounted to SEK 15bn at year-end 2009. An important characteristic of the leasing product is that SEB is the owner of the financed assets. This facilitates both repossession of assets and offers an expedient process to minimise losses for the Group as well as customers.

To date, some 25 per cent of the leasing stock has been identified as High Risk. To manage the work-out process, SEB has established sales channels which facilitate the sale of repossessed vehicles domestically as well as outside the Baltic region. Since June 2009, sales of vehicles exceeded repossessions, reducing the stock slightly each month. The average discount to original book value to date is 35-40 per cent.

b) commercial real estate and land plots
A key lesson from the Nordic crisis in the 90s was that shareholder value can be protected, if real estate assets are incubated and professionally managed until the economic recovery has started and demand for such assets returns.

SEB has an operational Real estate Holding Company (RHC) for each of Estonia, Latvia and Lithuania. These companies have started to acquire assets with the total volume of purchased assets currently at approximately SEK 50m. Assets will continue to accumulate in the RHCs but in a protracted process since the foreclosure and auction process takes time. In the meantime, the Bank has worked extensively on developing a valuation methodology, which defines the long-term value of each property as there is a lack of relevant historical prices due to the poor liquidity of the real estate market during the market downturn. The model provides a conservative and long-term view on the value of each real estate type dependent on future cash-flow capacity, location and quality. In the absence of any major future macroeconomic shock, these valuations are expected to be stable and provide a floor for the recovery rates. These valuations form the basis for almost all of the foreclosures in which the RHCs will participate in order to acquire these assets.

The valuation model has been applied to the vast majority of the real estate exposures and as a consequence, specific reserves for these assets have been decided.

As of 31 December 2009, SEB's Baltic lending to real estate companies in the Baltic countries comprised SEK 27bn, of which 30 per cent was impaired. Some 60 per cent of this portfolio is regarded as High Risk.

After applying the valuation model, the potential volume that the RHCs may eventually accumulate in their property portfolios is currently estimated at SEK 6-7bn.

c) residential mortgages
SEB remains convinced that most homeowners should be able to remain owners of their property. After individual reviews, taking the overall situation of the homeowner into account, SEB has introduced solutions, which may include a grace period for amortisations and capitalisation of part

of interest under special circumstances. SEB also plays an active role in the discussions with public authorities on constructive crisis resolutions.

SEB's Baltic residential mortgage lending amounted to SEK 50bn, of which 6 per cent was overdue more than 60 days at the end of December 2009.

Asset quality development

The accelerated macroeconomic deterioration across the Baltic countries during the first half of 2009 led to a sharp increase of past due loans during the first two quarters. Substantial collective provisions were made in order to build up reserves for credit losses that had not yet been individually identified which resulted in high reserve coverage ratios.

During the second half of 2009, specific provisions exceeded collective provisions, due to increased identification of individual impaired loans. Since June, however, the inflow of new past due loans has slowed materially, indicating a stabilization. This development was also reflected in volumes related to High Risk clients.

As per year-end 2009, the total of impaired loans (individually assessed) and portfolio assessed loans more than 60 days past-due (including restructured household volumes) – retail loans – amounted to SEK 19bn, or 12.6 per cent of total lending. Total reserves amounted to SEK 11.4bn by year-end 2009.

Outlook for loan loss provisions

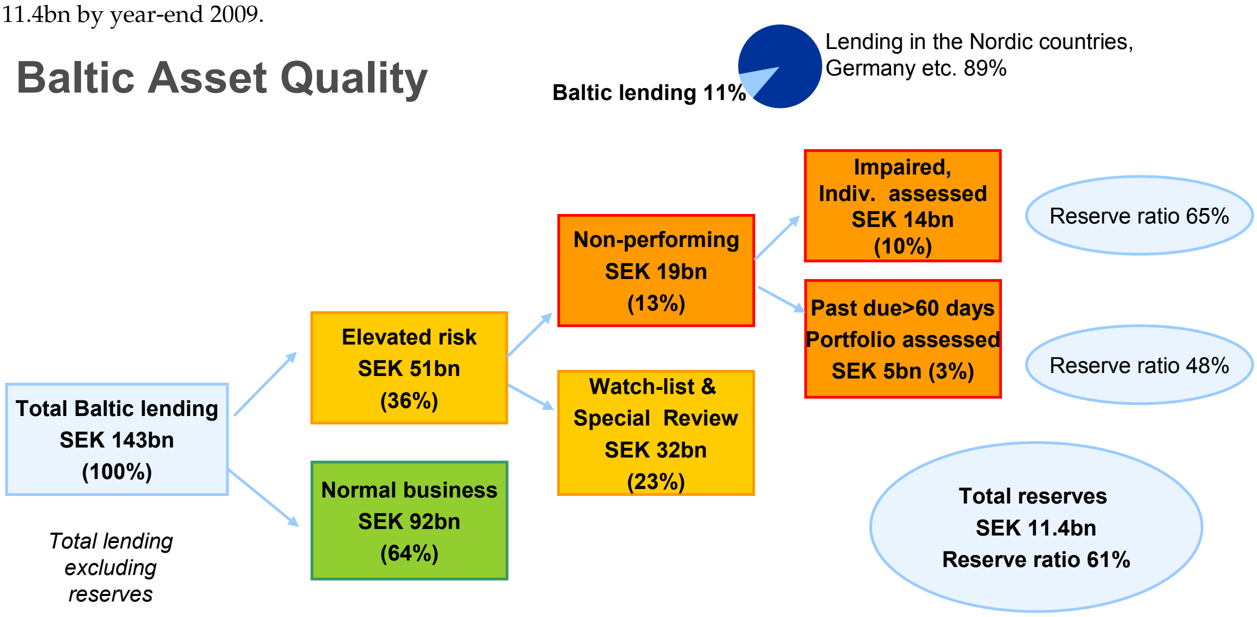
Management is confident that provisions for credit losses in 2010 will be considerably lower than 2009. This outlook is based on:

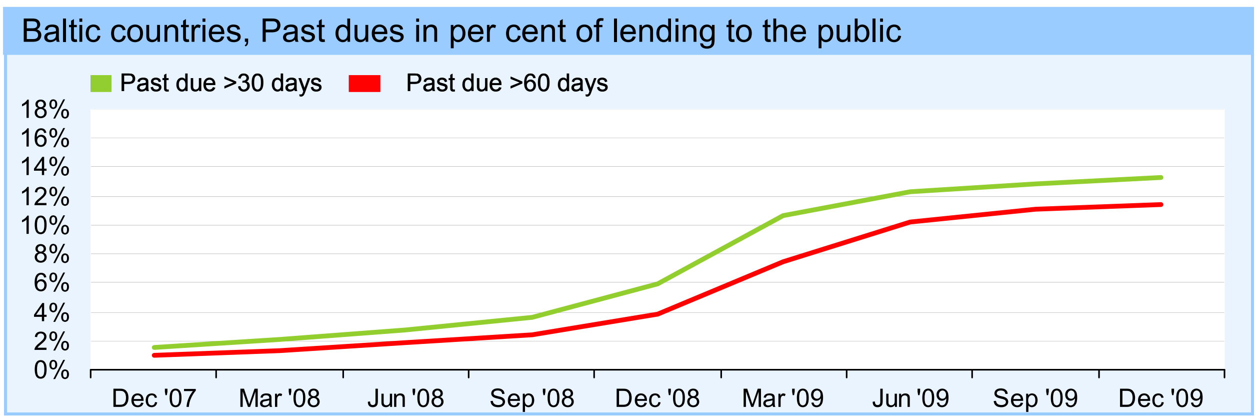
- the limited inflow of new past due loans and new High Risk clients,
- the experience from work-out of leasing assets and the in-depth analysis and revaluation of real estate assets,
- the continued strong level of reserves, and
- signs of a stabilizing economic environment.

This conclusion is further underpinned by bottom-up review of all high risk clients by our Special Credits Management team, a top-down risk management model assessment and an expert judgment overlay taking into account senior management experiences from the Swedish banking crisis.

Based on the current view, the coverage ratio for the Baltic region peaked in the third quarter of 2009 as did the quarterly Baltic loan loss provisions. Additional quarterly provisions will be gradually decreased indicating that provisions will fall in 2010.

A number of event risks on top of what is already a challenging situation for these economies may still disturb the slow progress and recovery, and may trigger changes to SEB's outlook for its Baltic operations.





Result by geography 2009

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

- Nordic business generated 70 per cent of operating income
- Provisions for credit losses and goodwill impairments impacted Baltic profitability

Comments on 2009

The economic situation in the world improved in the second half of 2009, following a gradual normalisation of the financial systems in combination with low interest rates and higher share prices.

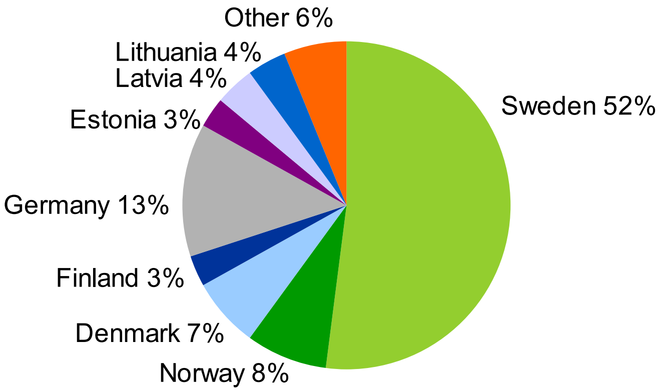
In Sweden, operating income increased, mostly due to volume-driven growth of net interest income in combination with a doubled profit from life insurance operations. Commission income decreased due to lower income from securities trading. Total expenses - excluding goodwill impairments related to SEB's investments in Eastern Europe – were reduced.

In Denmark, SEB's operating profit more than doubled, mainly due to strong results for wholesale banking and corporate finance services but also due to a positive development for SEB's life insurance business. In Norway, operating profit grew as an effect of stronger wholesale banking activities. Also in Finland, wholesale and investment banking contributed to increased profit.

In the Baltic region, income proved resilient despite the challenging environment. Total expenses increased by 6 per cent due to intensified work-out processes, excluding the goodwill impairments of SEK 831m.

Total provisions for the three countries rose to SEK 9,573m (1,748). The net credit loss level increased to 5.43 per cent (1.27) and the level of impaired loans to 9.39 per cent (1.98).

Operating income per country, 2009



In Germany, Merchant Banking performed well in spite of difficult conditions. Within Retail Banking, low market interest rates and low business activities decreased income by 19 per cent. Provisions for credit losses in the German operations increased to SEK 720m (230).

In Ukraine and Russia, provisions for credit losses amounted to SEK 606m and SEK 45m, respectively.

Distribution by country Jan - Dec	Total operating income			Total operating expenses			Operating profit		
SEK m	**2009**	**2008**	**%**	**2009**	**2008**	**%**	**2009**	**2008**	**%**
Sweden	23 083	22 507	*3*	-15 272	-13 675	*12*	6 676	8 344	*-20*
Norway	3 649	2 902	*26*	-1 307	-1 464	*-11*	2 125	1 172	*81*
Denmark	3 136	2 232	*41*	-1 543	-1 407	*10*	1 412	556	*154*
Finland	1 193	1 234	*-3*	- 574	- 669	*-14*	592	554	*7*
Germany	5 954	5 947	*0*	-5 325	-4 967	*7*	- 95	754	*-113*
Estonia	1 420	1 531	*-7*	-1 075	- 715	*50*	- 850	309	
Latvia	1 669	1 632	*2*	- 765	- 734	*4*	-2 225	391	
Lithuania	1 681	2 480	*-32*	-1 621	-1 030	*57*	-5 207	717	
Other countries and eliminations	2 428	639		- 915	- 746	*23*	944	- 326	
Total	**44 213**	**41 104**	***8***	**-28 397**	**-25 407**	***12***	**3 372**	**12 471**	***-73***

Goodwill impairments for holdings in the Baltic countries, Russia and Ukraine affected operating expenses and profit in Sweden by SEK 1.5bn in Q2 and 0.6bn in Q1 2009. Impairments in Q2 2009 affected operating expences and profit in Estonia and Lithuania by SEK 0.3bn and 0.6bn, respectively. Centralisation of bond portfolios from U.S. to Sweden affected operating income and profit by SEK 1.8bn in Q4 2008.

The SEB Group

Net interest income – SEB Group

SEK m	Q4 2009	Q3 2009	%	Q4 2008	%	Jan - Dec 2009	Jan - Dec 2008	%
Interest income	12 790	14 147	*- 10*	25 156	*- 49*	63 179	97 281	*- 35*
Interest expense	-9 093	-9 628	*- 6*	-19 643	*- 54*	-43 689	-78 571	*- 44*
Net interest income	**3 697**	**4 519**	***- 18***	**5 513**	***- 33***	**19 490**	**18 710**	***4***

Net fee and commission income – SEB Group

SEK m	Q4 2009	Q3 2009	%	Q4 2008	%	Jan - Dec 2009	Jan - Dec 2008	%
Issue of securities	200	99	*102*	27		501	172	*191*
Secondary market	580	594	*- 2*	444	*31*	2 465	2 769	*- 11*
Custody and mutual funds	1 674	1 504	*11*	1 931	*- 13*	5 968	7 022	*- 15*
Securities commissions	**2 454**	**2 197**	***12***	**2 402**	***2***	**8 934**	**9 963**	***- 10***
Payments	478	458	*4*	494	*- 3*	1 858	1 844	*1*
Card fees	1 074	1 047	*3*	1 094	*- 2*	4 248	4 300	*- 1*
Payment commissions	**1 552**	**1 505**	***3***	**1 588**	***- 2***	**6 106**	**6 144**	***- 1***
Advisory	301	266	*13*	327	*- 8*	1 037	1 118	*- 7*
Lending	339	357	*- 5*	291	*16*	1 383	1 004	*38*
Deposits	26	27	*- 4*	26		108	98	*10*
Guarantees	107	115	*- 7*	85	*26*	416	301	*38*
Derivatives	115	131	*- 12*	197	*- 42*	558	601	*- 7*
Other	199	161	*24*	124	*60*	710	648	*10*
Other commissions	**1 087**	**1 057**	***3***	**1 050**	***4***	**4 212**	**3 770**	*12*
Fee and commission income	**5 093**	**4 759**	***7***	**5 040**	***1***	**19 252**	**19 877**	***- 3***
Securities commissions	- 202	- 249	*- 19*	- 228	*- 11*	- 874	- 970	*- 10*
Payment commissions	- 615	- 591	*4*	- 641	*- 4*	-2 442	-2 450	*0*
Other commissions	- 399	- 353	*13*	- 381	*5*	-1 476	-1 203	*23*
Fee and commission expense	**-1 216**	**-1 193**	***2***	**-1 250**	***- 3***	**-4 792**	**-4 623**	***4***
Securities commissions, net	2 252	1 948	*16*	2 174	*4*	8 060	8 993	*- 10*
Payment commissions, net	937	914	*3*	947	*- 1*	3 664	3 694	*- 1*
Other commissions, net	688	704	*- 2*	669	*3*	2 736	2 567	*7*
Net fee and commission income	**3 877**	**3 566**	***9***	**3 790**	***2***	**14 460**	**15 254**	***- 5***

Net financial income – SEB Group

SEK m	Q4 2009	Q3 2009	%	Q4 2008	%	Jan - Dec 2009	Jan - Dec 2008	%
Equity instruments and related derivatives	46	- 40		449	*- 90*	- 65	1 415	
Debt instruments and related derivatives	211	- 33		111	*90*	804	-1 059	
Currency-related	683	1 060	*-36*	1 227	*- 44*	3 911	3 076	*27*
Other financial instruments	7	- 12	*-158*	21	*-67*	- 4	12	
Impairments	- 12	- 29	*-59*	- 85	*- 86*	- 161	- 474	*-66*
Net financial income	**935**	**946**	***-1***	**1 723**	***- 46***	**4 485**	**2 970**	***51***

Net credit losses - Group

	Q4	Q3		Q4		Jan - Dec		
SEK m	**2009**	**2009**	**%**	**2008**	**%**	**2009**	**2008**	**%**
Provisions:								
Net collective provisions for individually assessed loans	579	- 216		- 628		-1 844	- 712	*159*
Net collective provisions for portfolio assessed loans	- 451	- 530	*-15*	- 256	*76*	-1 962	- 591	
Specific provisions	-2 567	-2 086	*23*	- 788		-7 256	-1 718	
Reversal of specific provisions no longer required	102	153	*-33*	142	*-28*	621	336	*85*
Net provisions for contingent liabilities	- 123	- 83	*48*	- 36		- 224	- 56	
Net provisions	**-2 460**	**-2 762**	***-11***	**-1 566**	***57***	**-10 665**	**-2 741**	
Write-offs:								
Total write-offs	-1 100	- 730	*51*	- 464	*137*	-2 615	-1 428	*83*
Reversal of specific provisions utilized for write-offs	328	146	*125*	210	*56*	688	699	*-2*
Write-offs not previously provided for	- 772	- 584	*32*	- 254		-1 927	- 729	*164*
Recovered from previous write-offs	72	11		117	*-38*	144	239	*-40*
Net write-offs	**- 700**	**- 573**	***22***	**- 137**		**-1 783**	**- 490**	
Net credit losses	**-3 160**	**-3 335**	***-5***	**-1 703**	***86***	**-12 448**	**-3 231**	

Balance sheet – SEB Group

Condensed SEK m	31 December 2009	31 December 2008
Cash and cash balances with central banks	36 589	44 852
Loans to credit institutions	331 460	266 363
Loans to the public	1 187 837	1 296 777
Financial assets at fair value *	581 641	635 454
Available-for-sale financial assets *	87 948	163 115
Held-to-maturity investments *	1 332	1 997
Investments in associates	995	1 129
Tangible and intangible assets	27 770	29 511
Other assets	52 655	71 504
Total assets	**2 308 227**	**2 510 702**
Deposits by credit institutions	397 433	429 425
Deposits and borrowing from the public	801 088	841 034
Liabilities to policyholders	249 009	211 070
Debt securities	456 043	525 219
Financial liabilities at fair value	191 440	295 533
Other liabilities	75 149	71 565
Provisions	2 033	1 897
Subordinated liabilities	36 363	51 230
Total equity	99 669	83 729
Total liabilities and equity	**2 308 227**	**2 510 702**
* Of which bonds and other interest bearing securities inclusive derivatives.	457 209	628 675

Memorandum items – SEB Group

SEK m	31 December 2009	31 December 2008
Collateral and comparable security pledged for own liabilities	420 302	375 227
Other pledged assets and comparable collateral	202 168	152 142
Contingent liabilities	84 058	86 675
Commitments	365 742	416 533

Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Share-holder's equity	Minority interests	Total Equity
Jan-Dec 2009									
Opening balance	6 872	75 949	-225	-3 062	1 767	2 236	**83 537**	192	**83 729**
Net profit		1 114					**1 114**	64	**1 178**
Other comprehensive income (net of tax)			-187	1 966	- 974	-745	**60**	- 4	**56**
Total comprehensive income		1 114	- 187	1 966	- 974	- 745	**1 174**	60	**1 234**
Rights issue	15 070	- 397					**14 673**		**14 673**
Swap hedging of employee stock option programme*		2					**2**		**2**
Eliminations of repurchased shares for employee stock option programme**		31					**31**		**31**
Closing balance	**21 942**	**76 699**	**- 412**	**-1 096**	**793**	**1 491**	**99 417**	**252**	**99 669**

SEK m	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Share-holder's equity	Minority interests	Total Equity
Jan-Dec 2008									
Opening balance	6 872	70 149	-377	- 438	160	162	**76 528**	191	**76 719**
Net profit		10 041					**10 041**	9	**10 050**
Other comprehensive income (net of tax)			152	-2 624	1 607	2 074	**1 209**	- 8	**1 201**
Total recognised income		10 041	152	-2 624	1 607	2 074	**11 250**	1	**11 251**
Dividend to shareholders		-4 451					**-4 451**		**-4 451**
Swap hedging of employee stock option programme*		27					**27**		**27**
Eliminations of repurchased shares for employee stock option programme**		183					**183**		**183**
Closing balance	**6 872**	**75 949**	**- 225**	**-3 062**	**1 767**	**2 236**	**83 537**	**192**	**83 729**

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

** As of 31 December 2008 SEB owned 2.2 million Class A-shares for the employee stock option programme. The acquisition cost for these shares is deducted from shareholders' equity. During 2009 1.4 million net of these shares have been sold as employee stock options have been exercised. Thus, as of 31 December 2009 SEB owned 0.8 million Class A-shares with a market value of SEK 36m for hedging of the long-term incentive programmes.

Cash flow statement – SEB Group

SEK m	Jan - Dec 2009	2008	%
Cash flow from operating activities	- 74 456	- 16 441	
Cash flow from investment activities[1)]	- 5	- 6 050	*- 100*
Cash flow from financing activities	- 11 013	2 653	
Net increase in cash and cash equivalents	**- 85 474**	**- 19 838**	
Cash and cash equivalents at beginning of year	175 147	194 985	*- 10*
Net increase in cash and cash equivalents	- 85 474	- 19 838	
Cash and cash equivalents at end of period[2)]	**89 673**	**175 147**	***- 49***

1) Including investments in subsidiaries			
Cost of acquisitions		- 1 040	*- 100*
Less cash acquired			
Outflow on acquisition		**- 1 040**	***- 100***

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

Reclassified portfolios – SEB Group

	Q4 2009	Q3 2009	%	Q4 2008	%	Jan - Dec 2009	2008	%
Reclassified, SEK bn								
Opening balance	131	152	*-14*	99	*32*	107		
Reclassified						52	95	*-45*
Amortisations	- 2	- 2		- 3	*-33*	- 8	- 4	*100*
Securities sold	- 6	- 9	*-33*			- 18		
Accrued coupon				1	*-100*		2	*-100*
Translation difference	2	- 10	*-120*	10	*-80*	- 8	14	*-157*
Closing balance*	**125**	**131**	**- 5**	**107**	**17**	**125**	**107**	***17***
* Market value	120	124	-3	100	20	120	100	
Fair value impact - if not reclassified, SEK m								
In Equity (AFS origin)	1 852	2 627	*-30*	-3 753	*-149*	759	-5 252	*-114*
In Income Statement (HFT origin)	805	471	*71*	-1 163	*-169*	1 412	-1 623	*-187*
Total	**2 657**	**3 098**	***-14***	**-4 916**	***-154***	**2 171**	**-6 875**	***-132***
Effect in Income Statement, SEK m*								
Net interest income	400	529	*-24*	980	*-59*	2 974	1 959	*52*
Net financial income	2 027	-7 100	*-129*	9 945	*-80*	-5 141	13 699	*-138*
Other income	- 23	64	*-136*			50		
Total	**2 404**	**-6 507**	***-137***	**10 925**	***-78***	**-2 117**	**15 658**	***-114***

* The effect in Income Statement is the profit or loss transactions from the reclassified portfolio reported gross. Net interest income is the interest income from the portfolio without taking into account the funding costs. Net financial income is the foreign currency effect related to the reclassified portfolio but does not include the off-setting foreign currency effect from financing activities. Other income is the realised gains or losses from sales in the portfolio.

Impaired loans and seized assets – SEB Group

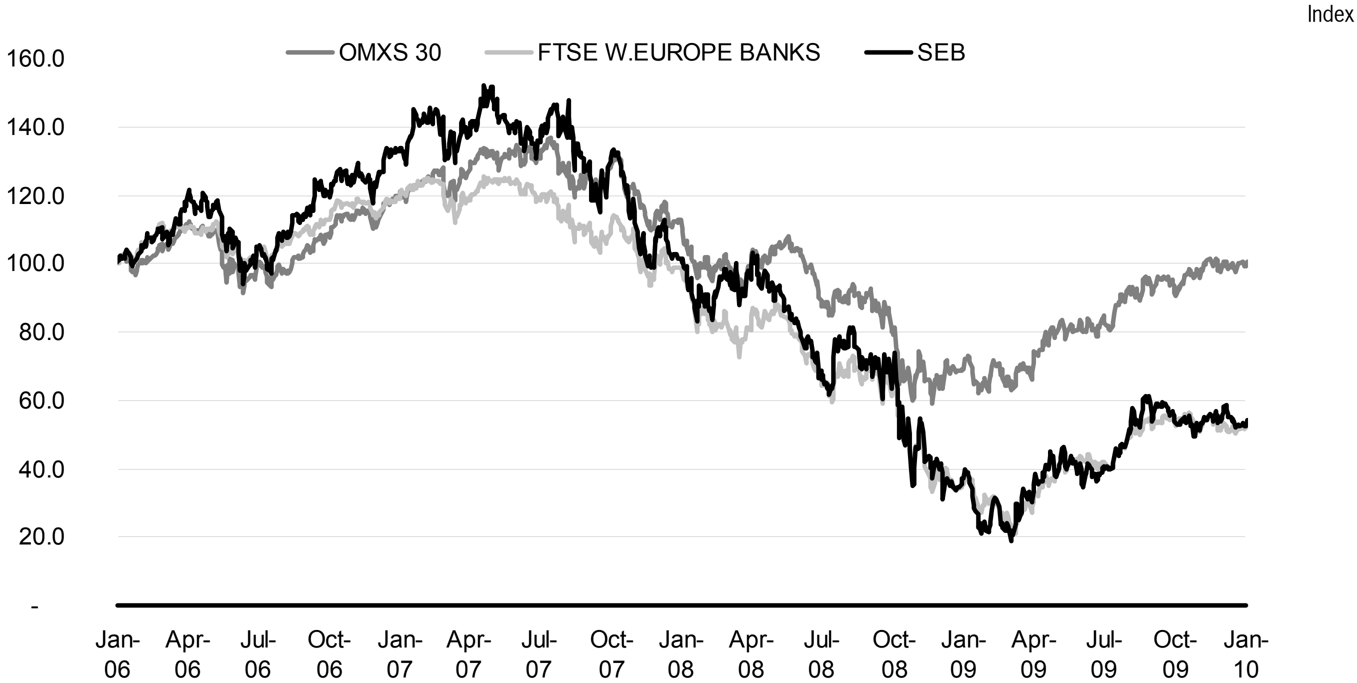
SEK m	31 December 2009	31 December 2008
Individually assessed loans		
Impaired loans, past due > 60 days	18 157	10 463
Impaired loans, performing or past due < 60 days	3 167	948
Total impaired loans	**21 324**	**11 411**
Reserves for impaired loans, past due > 60 days	- 9 489	- 4 679
Reserves for impaired loans, performing or past due < 60 days	- 967	- 343
Total specific reserves	**- 10 456**	**- 5 022**
Collective reserves for individually assessed loans	- 4 371	- 2 793
Total reserves	**- 14 827**	**- 7 815**
Specific reserve ratio for individually assessed impaired loans	49,0%	44,0%
Total reserve ratio for individually assessed impaired loans	69,5%	68,5%
Net level of impaired loans	0,72%	0,41%
Gross level of impaired loans	1,39%	0,73%
Portfolio assessed loans		
Loans past due > 60 days	6 937	3 164
Restructured loans	312	
Collective reserves for portfolio assessed loans	- 3 250	- 1 404
Reserve ratio for portfolio assessed loans	44,8%	44,4%
Reserves		
Specific reserves	-10 456	-5 022
Collective reserves	-7 621	-4 197
Reserves for off-balance sheet items	- 478	- 251
Total reserves	**- 18 555**	**- 9 470**
Non-performing loans		
Non-performing loans*	28 573	14 575
Coverage ratio for non-performing loans	64,9%	65,0%
Non-performing loans/gross volume	1,86%	0,93%

* Impaired loans + portfolio assessed loans > 60 days + restructured portfolio assessed loans

Seized assets – SEB Group

SEK m	31 December 2009	31 December 2008
Properties, vehicles and equipment	217	106
Shares	62	50
Total volume of pledges taken over	**279**	**156**

The SEB share



Rating

Moody's Outlook Negative (April 2009)		Standard & Poor's Outlook Negative (March 2009)		Fitch Outlook Stable (June 2009)	
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

December 2009	Share of capital, per cent
Investor AB	20.8
Trygg Foundation	9.2
Alecta	6.0
Swedbank/ Robur Funds	4.3
AMF Insurance & funds	2.7
AFA Insurance	2.1
SEB Funds	1.7
SHB Funds	1.5
Wallenberg-foundations	1.5
Nordea Funds	1.4
Foreign owners	16.4

Source: Euroclear Sweden/SIS Ägarservice