Interim report January - June 2010

STOCKHOLM 13 JULY 2010

The first half year – operating profit SEK 3.7bn (2.4)

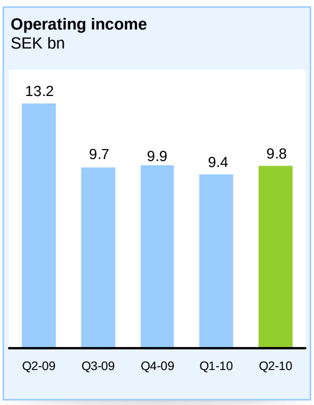
- Operating profit rose by 51 per cent to SEK 3,655m (2,420) and net profit amounted to SEK 2,693m (857), mainly due to lower provisions for credit losses.
- Profit before provisions for credit losses amounted to SEK 6,207m (8,348). Adjusted for one-off items in the first half of 2009, the decrease was 38 per cent.
- Operating income dropped by 18 per cent adjusted for a debt buy-back gain of SEK 1.3bn in the first half of 2009. Net interest income was down 29 per cent and net fee and commission income up 6 per cent.
- Operating expenses fell by 2 per cent adjusted for goodwill write-downs of SEK 3bn in 2009.
- Provisions for credit losses decreased by SEK 3.4bn or 57 per cent to SEK 2,545m (5,953); the credit loss level was 0.33 per cent (0.89). Impaired loans decreased by 10 per cent.
- Return on equity was 5.4 per cent (1.8) and earnings per share SEK 1.21 (0.67).
- The core Tier 1 capital ratio was 12.1 per cent and the Tier 1 capital ratio 14.3 per cent.

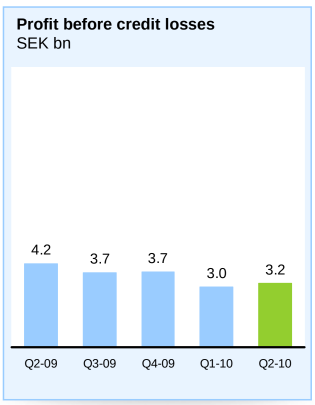
The second quarter isolated – operating profit SEK 2.6bn (0.6)

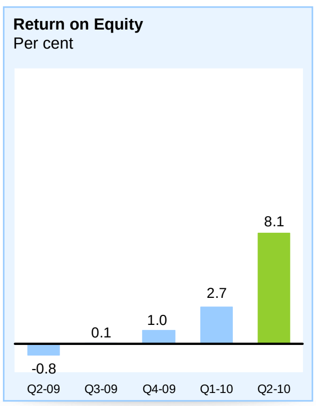
- Operating profit increased to SEK 2,580m (618), while operating profit before credit losses decreased to SEK 3,202m (4,162). Compared to the previous quarter, pre-provision profit improved by 7 per cent.
- Operating income decreased by 17 per cent compared to the corresponding quarter adjusted for one-off items in 2009, but improved by 5 per cent from the previous quarter.
- Operating expenses were flat compared to the second quarter last year, adjusted for one-off items in 2009, and 4 per cent up from the previous quarter.

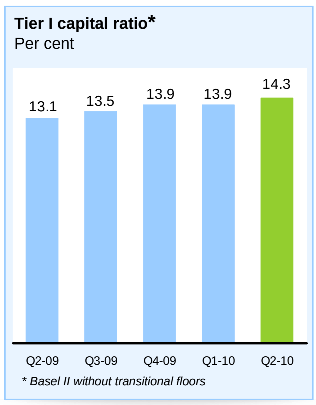
"SEB's performance is closely linked to the activity level of our customers. The cautiously growing optimism in the Nordic countries translates into higher income levels during the quarter. With non-performing loan formation substantially lower, SEB has turned the page in the Baltic countries."

Annika Falkengren









President's comment

In a quarter marked by increased market volatility, SEB benefited from its leading presence in a part of the world which has displayed strong resilience to the global financial crisis and subdued economic development. Together with the improving situation in the Baltic countries, SEB's operating profit for the second quarter amounted to SEK 2.6bn.

A robust Nordic environment

Corporate activity and demand for credit is gradually increasing, reflecting the robustness of the Nordic economic environment. The characteristics of the region can be summarised in three main points:

Firstly, asset quality is strong and is recovering earlier than in other European markets. In Sweden, for example, which constitutes 59 per cent of our total loan portfolio, corporate bankruptcies are down 10 per cent year-on-year.

Secondly, the Nordic countries have the lowest budget deficits in the EU. This, together with the high bank capital ratios, has supported the banks' continuous access to the funding markets.

Thirdly, the Swedish central bank's recent rate hike of 25 basis points to 0.50 per cent will support an improvement in net interest income going forward.

Against this background, we continue to invest in our corporate and institutional business as well as better service and accessibility for our customers. Since year-end, SEB has attracted SEK 29bn in new assets under management and continued to lend to our targeted segments in the Nordic countries. Nordic asset quality continues to be robust with a credit loss level of 0.07 per cent for the first half of 2010.

Lower Baltic credit loss provisions

In the second quarter, the economic sentiment in the Baltic region has improved and industrial production increased, largely due to restored competitiveness in the export sector. The Euro accession approval for Estonia affirms the success and viability of stringent economic policies and is an important milestone for the Baltic region.

Positive trends for non-performing loan (NPL) formation were already present in the first quarter. Developments in the second quarter confirm this trend and there are many signs that an economic recovery has commenced. As a result, SEB's total provisions for credit losses fell in the quarter. Given our robust and unchanged reserve position together with the current economic outlook, provisioning levels in coming quarters are expected to remain at this level. This means that SEB is likely to finish the year with materially lower credit provisions than previously communicated.

Strategic alignment of German operations

On 12 July, we announced an agreement to sell the German retail banking business to Banco Santander. Since the business was acquired in 1999, SEB has restructured the business, but profitability was never satisfactory. From the beginning, scale has been an issue. The divestment, which comes at a net cost, concludes the long-term strategic alignment of the German business. Going forward, we will continue to build on SEB's 35 year presence in Germany, with a viable and attractive business model serving corporate and institutional clients.

Gradually regained momentum in business volumes

In line with the positive economic development in SEB's main markets, business volume trends and corporate activity levels have seen an improvement. This supports SEB's main income driver, fee and commission income, which rose 13 per cent in the quarter. Overall, income rose by 5 per cent to SEK 9.8bn.

Merchant Banking reaffirmed its position as the Nordic investment bank and lead managed several headline transactions in the quarter. Corporate credit exposure has increased, primarily in Sweden where Retail Banking attracted 3,000 net new SME customers and increased its market share to 11 per cent. In the long-term savings area, assets under management within Life now amount to SEK 405bn. Private Banking has attracted almost 600 new customers and SEK 12bn in net sales since year-end. Despite lower travelling activity due to the Icelandic ash cloud, card turnover has increased.

Investments in core areas of strengths

With the sale of German retail banking and the stabilisation in the Baltic region, we can fully focus on our expansion plans. The economic recovery is still fragile, but we have the financial strength to take up-front costs for investments in the Nordic and German wholesale markets as well as in the Swedish SME segment.

We have the determination, resilience and flexibility to continue building *the* relationship bank in our part of the world.

The Group

Second quarter isolated

The comparative numbers in this report have been materially affected by the exceptional market circumstances that prevailed at the beginning of 2009 in the midst of the global financial crisis. Exceptionally high volatility, aggressive policy rate cuts and elevated credit spreads created a situation where temporary income effects, both positive and negative, materialised. Large GDP falls, in particular in the Baltic region, also created a large increase of impaired loans and impairment of acquisition goodwill related to Eastern Europe.

SEB's *profit before provisions for credit losses* for the second quarter amounted to SEK 3,202m (4,162), a decrease of 23 per cent compared to the corresponding quarter of 2009 but 7 per cent better than in the previous quarter.

The second quarter of 2009 included goodwill impairments of SEK 2,394m related to the Baltic countries and Russia as well as capital gains of SEK 1,300m from a buy-back of subordinated debt. In order to facilitate comparisons, income and costs have been adjusted in the table below.

Operative income statement	Jan-Jun	Jan-Jun	
SEK m	**2010**	**2009**	**%**
Operating income	19 193	23 304	*-18*
Operating expenses	-12 986	-13 268	*-2*
Pre-provision operating profit	**6 207**	**10 036**	***-38***
Gains less losses on disposals of tangible and intangible assets	- 7	25	*-128*
Net credit provisions	-2 545	-5 953	*-57*
Operating profit ongoing business	**3 655**	**4 108**	***-11***
Capital gain on subordinated debt		1 300	
Goodwill write-down		-2 988	
Operating profit	**3 655**	**2 420**	***51***

Operating profit amounted to SEK 2,580m (618), an increase of close to SEK 2.0bn compared to the corresponding quarter of 2009. In comparison with the previous quarter, operating profit more than doubled.

Net profit (after tax) amounted to SEK 2,004m (-170).

Income

Total operating income amounted to SEK 9,821m (13,174), a decrease of 17 per cent adjusted for the above-mentioned capital gain. In comparison with the previous quarter, operating income rose by 5 per cent.

Net interest income was SEK 1,275m or 24 per cent lower than in the corresponding quarter of 2009, mainly due to increased costs for the extended funding duration in 2009 and lower return on the bond investment portfolio. As the net cost for last year's funding gradually subsides, a positive effect in net interest income is supported. Consequently, net interest income grew by 6 per cent on a quarterly sequential basis.

Customer-driven net interest income dropped by SEK 693m or 16 per cent compared to the second quarter 2009 due to lower volumes and falling deposit margins. In comparison with the previous quarter, margins and volumes were stable overall.

Net interest income from other activities, mainly the bond investment portfolio as well as other trading and treasury activities, was down by SEK 582m compared to the corresponding quarter of 2009 and up by SEK 236m from the previous quarter.

Net fee and commission income rose by 3 per cent, mainly as an effect of increased revenues from mutual funds and custody as well as from lending. In comparison with the previous quarter, commission income improved by 13 per cent as an effect of increased securities issues, advisory services and lending.

Net financial income was down by 34 per cent compared to the second quarter of 2009 and rose by 3 per cent compared to the previous quarter. Foreign exchange income increased in the quarter due to more volatile markets and strong customer flows, but income was nevertheless lower than during the turbulence a year ago. Equity-related income was up.

Net life insurance income was down by 18 per cent on Group level compared to the second quarter of 2009. In comparison with the previous quarter, life insurance income was down by 11 per cent.

Net other income decreased by SEK 1.6bn compared to the corresponding quarter of 2009, which contained the above-mentioned capital gain, and was also lower than in the previous quarter. No one-off items were recorded in the second quarter 2010.

Expenses

Excluding goodwill impairment charges for the Baltic region and Russia in the second quarter of 2009, total expenses were flat at SEK 6,619m (6,618). In comparison with the previous quarter, expenses rose by 4 per cent, mainly due to increased customer activities and staff costs.

Provisions for credit losses

Provisions for credit losses decreased by SEK 2,948m, or 83 per cent, to SEK 619m (3,567), leading to a credit loss level of 0.16 per cent (1.07). In comparison with the previous quarter, SEB's net credit losses fell by two thirds.

Provisions for credit losses in the Baltic region - 73 per cent of the Group total - amounted to SEK 451m (2,641), corresponding to a credit loss level of 1.30 per cent (6.00).

Individually assessed impaired loans decreased by SEK 383m, or 2 per cent, to SEK 19,238m during the quarter. The quarterly decrease in the Baltic region was SEK 307m, or 2 per cent.

The Group's *past due portfolio assessed loans* were in line with the previous quarter, at SEK 7,107m. The quarterly increase in the Baltic region was SEK 56m, or 1 per cent.

The Group's total reserve ratio for individually assessed impaired loans was basically unchanged in the quarter at 76.9 per cent and the total non-performing loans coverage ratio at 70.5 per cent.

The first half year

SEB's *profit before provisions for credit losses* for the first six months of 2010 amounted to SEK 6,207m (8,348), a decrease of 26 per cent compared to 2009.

The first half of 2009 included goodwill impairment charges related to Eastern Europe as well as capital gains from the buy-back of subordinated debt. In order to facilitate comparisons, income and costs have been adjusted in the table below. No one-offs are included in the result for the first half of 2010.

Operative income statement SEK m	Jan-Jun 2010	Jan-Jun 2009	%
Operating income	19 193	23 304	*-18*
Operating expenses	-12 986	-13 268	*-2*
Pre-provision operating profit	**6 207**	**10 036**	***-38***
Gains less losses on disposals of tangible and intangible assets	- 7	25	*-128*
Net credit provisions	-2 545	-5 953	*-57*
Operating profit ongoing business	**3 655**	**4 108**	***-11***
Capital gain on subordinated debt		1 300	
Goodwill write-down		-2 988	
Operating profit	**3 655**	**2 420**	***51***

Operating profit amounted to SEK 3,655m (2,420), an increase of SEK 1,235m or 51 per cent compared to the corresponding period of 2009.

Net profit amounted to SEK 2,693m (857).

Income

Total operating income amounted to SEK 19,193m (24,604), a decrease of 18 per cent adjusted for the above-mentioned capital gain.

Net interest income, at SEK 7,970m (11,274), was SEK 3,304m or 29 per cent lower than in the corresponding period of 2009, mainly due to increased costs for the extended funding duration in the second and third quarter 2009 and lower return on the bond investment portfolio.

Customer-driven net interest income dropped by SEK 1,408m or 16 per cent compared to the corresponding period last year due to lower volumes and falling deposit margins. The change in total volume and margin contributions were negative at SEK 665m and SEK 743m, respectively.

Net interest income also included a cost of SEK 150m (150) for the charge related to the Swedish stability fund.

Net fee and commission income rose by 6 per cent, to SEK 7,412m (7,017) as an effect of increased securities commissions and on average higher asset under management and custody values.

Net financial income was down by 26 per cent, to SEK 1,927m (2,604), partly due to lower income from the foreign exchange business. The valuation gain in the investment portfolio was SEK 61m (-435) over the income statement.

Net life insurance income dropped by 8 per cent, to SEK 1,657m (1,808). Total income generated from life insurance business (including internal retrocessions from fund companies) increased by 6 per cent.

Net other income amounted to SEK 227m (1,901). The decrease is mainly explained by a capital gain of SEK 1,300m from the buy-back of subordinated debt in 2009.

Expenses

Total operating expenses amounted to SEK 12,986m (16,256). Excluding goodwill impairment charges in the first half of 2009, total expenses decreased by 2 per cent.

Staff costs were down by 9 per cent compared to the corresponding period last year due to a decreased number of employees as well as lower cost for redundancies and pensions. The average number of full time equivalents decreased by 1,488 to 19,090 (20,578), of which 275 in Sweden, 261 in Germany, 527 in the Baltic countries and 425 in other countries.

Other expenses rose by 14 per cent, mainly due to costs for investments in IT and consultants for business and structural development.

Provisions for credit losses

Provisions for credit losses decreased by 57 per cent, or SEK 3,408m, to SEK 2,545m (5,953), leading to a credit loss level of 0.33 per cent (0.89).

Provisions for credit losses in the Baltic region decreased to SEK 1,882m (4,344) – 74 per cent of the Group total – corresponding to a credit loss level of 2.71 per cent (4.93). In Sweden, provisions for credit losses amounted to SEK 204m (736), in the other Nordic countries to SEK 150m (243) and in Germany to SEK 169m (315).

Individually assessed impaired loans decreased by SEK 2,086m, or 10 per cent, to SEK 19,238m. The decrease in the Baltic region was SEK 1,189m, or 9 per cent. The appreciation of the Swedish krona by 8 per cent to the Euro mainly explains the lower numbers. The gross level of impaired loans in the Baltic countries was 9.79 per cent (9.39). The Group's total reserve ratio for individually assessed impaired loans increased to 76.9 per cent compared to 69.5 per cent at year-end 2009.

The Group's *past due portfolio assessed loans* increased by SEK 170m, or 2 per cent, to SEK 7,107m. The increase in the Baltic region was SEK 265m, or 6 per cent. In addition, Baltic household loans of SEK 555m were restructured at the end of June (312 at year-end 2009).

The total non-performing loans coverage ratio increased to 70.5 per cent (64.9) as a result of falling non-performing loans and higher collective provisions to cater for the fragility of the Baltic economic recovery.

Tax expenses

Total tax amounted to SEK 961m (1,573), corresponding to a total tax rate of 26 per cent (65). The reduction in the total tax rate is due to lower losses in the Baltic countries and the non-tax deductable goodwill impairments in 2009.

Business volumes

The Group's total balance sheet was SEK 2,319bn (2,308) as at 30 June, virtually unchanged compared to year-end 2009. Lending to the public was up by 3 per cent, while deposits from the public were down by 5 per cent.

SEB's total credit portfolio decreased by 6 per cent, to SEK 1,715bn (1,816 at year-end), mainly due to lower lending to banks. The credit portfolio for the Baltic countries decreased by 13 per cent.

SEB's total net positions in fixed-income securities for investment, treasury and client trading purposes decreased to SEK 301bn (332) excluding excess liquidity invested in certificates issued by the Swedish Central Bank.

As at 30 June 2010, assets under management amounted to SEK 1,328bn (1,356). Net inflow during the period was SEK 29bn (22), while the change in value was SEK -57bn (44). Assets under custody amounted to SEK 4,770bn (4,853).

Bond investment portfolio

As at 30 June, the bond investment portfolio of Merchant Banking had decreased to SEK 75bn from SEK 113bn a year earlier, in line with the plan to reduce the holdings through amortisations and limited sales. 83 per cent of the holdings are classified as Loans and Receivables.

There are no impaired assets in the portfolio. Under prevailing credit market conditions, SEB views material defaults on the holdings as unlikely and the risk for impairment charges to be low.

Market risk

During the first half of 2010, the Group's Value at Risk in the trading operations averaged SEK 267m (193 during the calendar year 2009). Consequently, the Group on average should not expect to lose more than this amount during a ten-day period, with 99 per cent probability. (Further information in Appendix 3.)

Liquidity and funding

SEB's loan-to-deposit ratio, excluding reclassified bond portfolios, was 155 per cent (141 at year-end 2009). Excluding repo volumes, which fluctuate between quarters, the ratio was 142 per cent. Due to the extension of funding duration in 2009, bond issuance during the first two quarters was SEK 36bn, which is about half of the level last year. On 30 June, the matched funding of net cash inflows and outflows remained above 18 months.

SEB continued to maintain assets eligible for pledging with central banks in excess of SEK 200bn.

Capital position

SEB has maintained stable and strong capital ratios. As of 30 June 2010, the core Tier 1 capial ratio was 12.1 per cent, (11.7) the Tier 1 capital ratio 14.3 per cent (13.9) and the total capital ratio at 14.5 per cent (14.7). The Basel II risk weighted assets (RWA) amounted to SEK 714bn (730).

Adjusted for the supervisory transitional rules during the first Basel II years, SEB reports RWA of SEK 824bn (795), a Tier 1 capital ratio of 12.4 per cent (12.8) and a total capital ratio of 12.6 per cent (13.5).

The leverage ratio according to FDIC rules is 5.7 per cent (5.5). Capital adequacy details are found on pp 24-27.

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 is divided – whereas Nordic economies have proven to be robust, austerity measures in many countries accentuate sovereign risk and create subdued economic growth, which could impact SEB's main markets. Thus, negative effects on economic recovery cannot be ruled out. Also, sovereign risk may impact valuations.

There are also financial risks, mainly in the form of price risks (details on market risks are described in Appendix 3). Credit and market risks as well as other risks and the management of all the risks of the Group are described in SEB's annual report for 2009 (pp 40-56 and Note 17).

Rating

In June 2010, Moody's changed its outlook for SEB from negative to stable and affirmed the long-term A1 rating. Standard & Poor's and Fitch have a stable outlook on SEB.

Annual General Meeting

At the Annual General Meeting on 11 May, two new directors – Signhild Arnegård Hansen and Birgitta Kantola – were elected. They succeeded Penny Hughes, who resigned in October 2009, and Dr. Hans-Joachim Körber.

A dividend of SEK 1.00 (0) per share was resolved.

Subsequent events

The divestment of SEB's German retail banking business to Banco Santander, as announced on 12 July, improves the key group financial ratios going forward – the cost income ratio by 0.04, return on equity by 0.60 percentage points and the core capital ratio by 0.50 percentage points.

The transaction price of EUR 555m is at a premium to allocated equity of EUR 420m. Transaction costs, including related funding and hedge accounting effects are estimated at EUR 375m. The net negative financial impact up until closing, including transaction costs is expected to be EUR 240m pre-tax. Restructuring costs for the remaining German business are estimated to EUR 80m. Negative funding effects are estimated to EUR 65m in 2011.

Further information on proforma effects is presented in Appendix 6 and available on www.sebgroup.com/ir.

A key milestone for the strategic Group IT infrastructure project - One IT Roadmap - has been achieved. A new IT platform was successfully launched in Lithuania on 7 July involving 2.5 million accounts and one million customers. The new system opens up new development possibilities for the Bank, providing more flexibility in launching new products to its customers. It also elevates productivity.

The Board of Directors and the President declare that the interim report for January-June provides a fair overview of the Parent Company's and the Group's operations, their financial position and results and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 13 July 2010

Marcus Wallenberg
Chairman

Tuve Johannesson
Deputy Chairman

Jacob Wallenberg
Deputy Chairman

Signhild Arnegård Hansen
Director

Urban Jansson
Director

Birgitta Kantola
Director

Göran Lilja
*Director**

Cecilia Mårtensson
*Director**

Tomas Nicolin
Director

Christine Novakovic
Director

Jesper Ovesen
Director

Carl Wilhelm Ros
Director

Annika Falkengren
President and Chief Executive Officer
Director

** appointed by the employees*

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

Appendix 1	Division Life
Appendix 2	Credit exposure
Appendix 3	Market risk
Appendix 4	P&L by division, business area and quarter
Appendix 5	P&L by geography and quarter
Appendix 6	Pro forma excluding German Retail Banking

Further information is available from

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Press conference and web cast

The press conference at 13.00 (CEST) on 13 July 2010 at Kungsträdgårdsgatan 8 with CEO Annika Falkengren can be followed live in Swedish on www.sebgroup.com/ir and translated into English on the website. It will also be available afterwards.

Access to telephone conference and video web cast

The telephone conference at 15.00 (CEST) on 13 July 2010 with CEO Annika Falkengren and CFO Jan Erik Back can be accessed by telephone, +44 (0) 20 7162 0025, please quote conference id: 862973, not later than 10 minutes in advance. A replay of the conference call 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 Meeeting
13 July	Interim Report January-June 2010
28 October	Interim Report January-September 2010

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www.sebgroup.com
Corporate organisation number: 502032-9081

Accounting policies

This Interim Report is presented in accordance with *IAS 34 Interim Financial Reporting*.

The Group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the European Commission. The accounting follows the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulation and general guidelines issued by the Swedish Financial Supervisory Authority, Annual reports in credit institutions and securities companies (FFFS 2008:25). In addition to this the Supplementary accounting rules for groups (RFR 1.3) from the Swedish Financial Reporting Board have been applied.

The Parent company has prepared its accounts in accordance with Swedish statutory IFRS and has applied the Supplementary accounting rules for legal entities (RFR 2.3) from the Swedish Financial Reporting Board.

As from 2010 two changes have been introduced in the accounting standards which potentially have a material impact on the financial reports. The changes in *IFRS 3 Business Combinations* (effective for annual periods beginning after July 2009) will change how business combinations are accounted for in respect of transaction costs, possible contingent considerations and business combinations achieved in stages. The changes will not have an impact on previous business combinations but will be applied by the Group to business combinations for which acquisition date is on or after 1 January 2010. In addition, there have been amendments made to *IAS 27 Consolidated and Separate Financial Statements* that principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries.

In all other respects, the Group's and the Parent company's accounting policies, basis for calculations and presentations are, in all material aspects, unchanged in comparison with the 2009 Annual Report.

Review report

We have reviewed this report for the period 1 January to 30 June 2010 for Skandinaviska Enskilda Banken AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 13 July 2010

PricewaterhouseCoopers AB

Peter Clemedtson
Authorised Public Accountant

The SEB Group

Income statement – SEB Group

Condensed SEK m	Q2 2010	Q1 2010	% 	Q2 2009	% 	Jan - Jun 2010	 2009	 %	Full year 2009
Net interest income	4 095	3 875	*6*	5 370	*-24*	7 970	11 274	*-29*	19 490
Net fee and commission income	3 929	3 483	*13*	3 802	*3*	7 412	7 017	*6*	14 460
Net financial income	977	950	*3*	1 471	*-34*	1 927	2 604	*-26*	4 485
Net life insurance income	778	879	*-11*	946	*-18*	1 657	1 808	*-8*	3 597
Net other income	42	185	*-77*	1 585	*-97*	227	1 901	*-88*	2 181
Total operating income	**9 821**	**9 372**	**5**	**13 174**	**-25**	**19 193**	**24 604**	***-22***	**44 213**
Staff costs	-4 022	-3 865	*4*	-4 262	*-6*	-7 887	-8 653	*-9*	-15 574
Other expenses	-2 176	-2 090	*4*	-1 918	*13*	-4 266	-3 756	*14*	-8 128
Depreciation, amortisation and impairment of tangible and intangible assets	- 421	- 412	*2*	-2 832	*-85*	- 833	-3 847	*-78*	-4 695
Total operating expenses	**-6 619**	**-6 367**	**4**	**-9 012**	***-27***	**-12 986**	**-16 256**	***-20***	**-28 397**
Profit before credit losses	**3 202**	**3 005**	***7***	**4 162**	***-23***	**6 207**	**8 348**	***-26***	**15 816**
Gains less losses on disposals of tangible and intangible assets	- 3	- 4	*-25*	23	*-113*	- 7	25	*-128*	4
Net credit losses	- 619	-1 926	*-68*	-3 567	*-83*	-2 545	-5 953	*-57*	-12 448
Operating profit	**2 580**	**1 075**	***140***	**618**		**3 655**	**2 420**	***51***	**3 372**
Income tax expense	- 575	- 386	*49*	- 792	*-27*	- 961	-1 573	*-39*	-2 200
Net profit from continuing operations	**2 005**	**689**	***191***	**- 174**		**2 694**	**847**		**1 172**
Gains less losses from assets held for sale	- 1			4	*-125*	- 1	10	*-110*	6
Net profit	**2 004**	**689**	**191**	**- 170**		**2 693**	**857**		**1 178**
Attributable to minority interests	17	15	*13*	23	*-26*	32	25	*28*	64
Attributable to equity holders *	1 987	674	*195*	- 193		2 661	832		1 114
* Basic earnings per share, SEK	0.91	0.31		- 0.09		1.21	0.67		0.58
Diluted earnings per share, SEK	0.90	0.31		- 0.09		1.21	0.66		0.58

Statement of comprehensive income – SEB Group

 SEK m	Q2 2010	Q1 2010	 %	Q2 2009	 %	Jan - Jun 2010	 2009	 %	Full year 2009
Net profit	**2 004**	**689**	***191***	**- 170**		**2 693**	**857**		**1 178**
Translation of foreign operations	- 110	- 267	*-59*	- 172	-36	- 377	- 420	*-10*	- 187
Available-for-sale financial assets	- 696	281		417		- 415	264		1 966
Cash flow hedges	- 105	- 257	*-59*	- 413	-75	- 362	- 480	*-25*	- 974
Other	- 188	- 635	*-70*	110		- 823	173		- 749
Other comprehensive income (net of tax)	**- 1 099**	**- 878**	**25**	**- 58**		**- 1 977**	**- 463**		**56**
Total comprehensive income	**905**	**- 189**		**- 228**		**716**	**394**	**82**	**1 234**
Attributable to minority interests	13			17	-24	13	32	*-59*	60
Attributable to equity holders	892	- 189		- 245		703	362	*94*	1 174

Key figures - SEB Group

	Q2 2010	Q1 2010	Q2 2009	Jan - Jun 2010	Jan - Jun 2009	Full year 2009
Return on equity, %	8.05	2.71	- 0.78	5.37	1.82	1.17
Return on total assets, %	0.34	0.12	- 0.03	0.23	0.07	0.05
Return on risk-weighted assets, %	0.97	0.34	- 0.09	0.66	0.18	0.13
Basic earnings per share, SEK	0.91	0.31	- 0.09	1.21	0.67	0.58
Weighted average number of shares, millions*	2 194	2 194	2 193	2 194	1 250	1 906
Diluted earnings per share, SEK	0.90	0.31	- 0.09	1.21	0.66	0.58
Weighted average number of diluted shares, millions**	2 199	2 199	2 195	2 199	1 252	1 911
Net worth per share, SEK	49.48	50.07	49.18	49.48	49.18	50.08
Average equity, SEK billion	98.8	99.3	98.7	99.1	91.6	95.4
Cost/income ratio	0.67	0.68	0.68	0.68	0.66	0.64
Credit loss level, %	0.16	0.50	1.07	0.33	0.89	0.92
Total reserve ratio for individually assessed impaired loans, %	76.9	77.0	71.7	76.9	71.7	69.5
Net level of impaired loans, %	0.60	0.64	0.64	0.60	0.64	0.72
Gross level of impaired loans, %	1.29	1.31	1.10	1.29	1.10	1.39
Basel II (Legal reporting with transitional floor) :***						
Risk-weighted assets, SEK billion	824	812	849	824	849	795
Core Tier 1 capital ratio, %	10.46	10.43	10.52	10.46	10.52	10.74
Tier 1 capital ratio, %	12.40	12.37	12.15	12.40	12.15	12.78
Total capital ratio, %	12.60	13.10	13.81	12.60	13.81	13.50
Basel II (without transitional floor):						
Risk-weighted assets, SEK billion	714	723	790	714	790	730
Core Tier 1 capital ratio, %	12.07	11.71	11.31	12.07	11.31	11.69
Tier 1 capital ratio, %	14.31	13.88	13.07	14.31	13.07	13.91
Total capital ratio, %	14.54	14.70	14.85	14.54	14.85	14.69
Basel I:						
Risk-weighted assets, SEK billion	1 008	994	1 080	1 008	1 080	1 003
Core Tier 1 capital ratio, %	8.55	8.52	8.27	8.55	8.27	8.51
Tier 1 capital ratio, %	10.14	10.11	9.56	10.14	9.56	10.13
Total capital ratio, %	10.30	10.70	10.88	10.30	10.88	10.70
Number of full time equivalents****	19 091	19 032	20 430	19 090	20 578	20 233
Assets under custody, SEK billion	4 770	5 127	4 505	4 770	4 505	4 853
Assets under management, SEK billion	1 328	1 382	1 267	1 328	1 267	1 356

* The number of issued shares was 2,194,171,802. SEB owned 810,155 Class A shares for the employee stock option programme at year end 2009. During 2010 799,669 net of these shares have been sold as employee stock options have been exercised. Thus, as of 30 June 2010 SEB owned 10,486 Class A-shares with a market value of SEK 0.4m.

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

*** 80 per cent of RWA in Basel I

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

Income statement on quarterly basis - SEB Group

	Q2	Q1	Q4	Q3	Q2
SEK m	**2010**	**2010**	**2009**	**2009**	**2009**
Net interest income	4 095	3 875	3 697	4 519	5 370
Net fee and commission income	3 929	3 483	3 877	3 566	3 802
Net financial income	977	950	935	946	1 471
Net life insurance income	778	879	932	857	946
Net other income	42	185	433	- 153	1 585
Total operating income	**9 821**	**9 372**	**9 874**	**9 735**	**13 174**
Staff costs	-4 022	-3 865	-3 186	-3 735	-4 262
Other expenses	-2 176	-2 090	-2 473	-1 899	-1 918
Depreciation, amortisation and impairments of tangible and intangible assets	- 421	- 412	- 467	- 381	-2 832
Total operating expenses	**-6 619**	**-6 367**	**-6 126**	**-6 015**	**-9 012**
Profit before credit losses	**3 202**	**3 005**	**3 748**	**3 720**	**4 162**
Gains less losses on disposals of tangible and intangible assets	- 3	- 4	- 24	3	23
Net credit losses	- 619	-1 926	-3 160	-3 335	-3 567
Operating profit	**2 580**	**1 075**	**564**	**388**	**618**
Income tax expense	- 575	- 386	- 277	- 350	- 792
Net profit from continuing operations	**2 005**	**689**	**287**	**38**	**- 174**
Gains less losses from assets held for sale	- 1		- 3	- 1	4
Net profit	**2 004**	**689**	**284**	**37**	**- 170**
Attributable to minority interests	17	15	27	12	23
Attributable to equity holders*	1 987	674	257	25	- 193
* Basic earnings per share, SEK	0.91	0.31	0.12	0.01	- 0.09
Diluted earnings per share, SEK	0.90	0.31	0.12	0.01	- 0.09

Income statement, by division – SEB Group

Jan-Jun 2010, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Baltic	Other incl eliminations	SEB Group
Net interest income	3 978	3 086	231	- 4	946	- 267	7 970
Net fee and commission income	2 503	2 159	1 807		435	508	7 412
Net financial income	2 337	140	42		62	- 654	1 927
Net life insurance income				2 301		- 644	1 657
Net other income	47	36	47		6	91	227
Total operating income	**8 865**	**5 421**	**2 127**	**2 297**	**1 449**	**- 966**	**19 193**
Staff costs	-2 102	-1 948	- 658	- 569	- 340	-2 270	-7 887
Other expenses	-2 005	-2 173	- 641	- 266	- 589	1 408	-4 266
Depreciation, amortisation and impairment of tangible and intangible assets	- 66	- 76	- 41	- 345	- 39	- 266	- 833
Total operating expenses	**-4 173**	**-4 197**	**-1 340**	**-1 180**	**- 968**	**-1 128**	**-12 986**
Profit before credit losses	**4 692**	**1 224**	**787**	**1 117**	**481**	**-2 094**	**6 207**
Gains less losses from tangible and intangible assets					- 1	- 6	- 7
Net credit losses	- 73	- 438	- 3		-1 882	- 149	-2 545
Operating profit	**4 619**	**786**	**784**	**1 117**	**-1 402**	**-2 249**	**3 655**

* Business result in Life amounted to SEK 1,537m (1,495), of which change in surplus values was net SEK 420m (506).

Merchant Banking

Merchant Banking has two large business areas –– Trading and Capital Markets and Global Transaction Services. Other business units, including the CRM function, Commercial Real Estate, Corporate Finance and Structured Finance, are consolidated in Corporate Banking.

Income statement

	Q2	Q1		Q2		Jan- Jun			Full year
SEK m	**2010**	**2010**	*%*	**2009**	*%*	**2010**	**2009**	*%*	**2009**
Net interest income	1 964	2 014	*- 2*	2 683	*- 27*	3 978	5 602	*- 29*	9 982
Net fee and commission income	1 420	1 083	*31*	1 618	*- 12*	2 503	2 790	*- 10*	5 647
Net financial income	1 320	1 017	*30*	1 498	*- 12*	2 337	2 684	*- 13*	4 377
Net other income	- 3	50	*- 106*	- 8	*- 63*	47	107	*- 56*	46
Total operating income	**4 701**	**4 164**	***13***	**5 791**	***- 19***	**8 865**	**11 183**	***- 21***	**20 052**
Staff costs	-1 109	- 993	*12*	-1 106	*0*	-2 102	-2 198	*- 4*	-3 529
Other expenses	-1 031	- 974	*6*	-1 014	*2*	-2 005	-1 963	*2*	-3 863
Depreciation, amortisation and impairment of tangible and intangible assets	- 39	- 27	*44*	- 34	*15*	- 66	- 59	*12*	- 155
Total operating expenses	**-2 179**	**-1 994**	***9***	**-2 154**	***1***	**-4 173**	**-4 220**	***- 1***	**-7 547**
Profit before credit losses	**2 522**	**2 170**	***16***	**3 637**	***- 31***	**4 692**	**6 963**	***- 33***	**12 505**
Gains less losses on disposals of tangible and intangible assets									- 1
Net credit losses	31	- 104	*- 130*	- 367	*- 108*	- 73	- 646	*- 89*	- 805
Operating profit	**2 553**	**2 066**	***24***	**3 270**	***- 22***	**4 619**	**6 317**	***- 27***	**11 699**
Cost/Income ratio	0,46	0,48		0,37		0,47	0,38		0,38
Business equity, SEK bn	28,9	29,0		35,1		28,9	35,1		35,1
Return on equity, %	25,5	20,5		26,8		23,0	25,9		24,0
Number of full time equivalents	2 530	2 529		2 650		2 529	2 687		2 630

- Higher operating profit due to increased customer activity
- Strengthened market position in the Nordic region
- Continued high asset quality

Comments on the first six months

After modest levels in the first quarter, the second quarter commenced with increased customer demand for financial services and products. This trend had a dip due to the escalating uncertainty regarding the economies in southern Europe. In this increased market volatility, Merchant Banking continued to focus on supporting its customers across core markets and also on capturing new business opportunities.

M&A activity picked up during the second quarter, and SEB Enskilda confirmed its position as the leading investment bank in the Nordic and Baltic regions. SEB arranged and advised a number of headline transactions, such as the rights issues for REC and SAS and the IPO's for Chr. Hansen and MQ.

Although operating income for the first half of 2010 decreased compared to 2009, income for the second quarter rose by 13 per cent compared to the first, reflecting improved income for all business areas. Operating expenses for the first half of 2010 were down by 1 per cent compared to the corresponding period of 2009, but increased sequentially primarily due to increased customer activity. Operating profit increased by SEK 487m compared to the first quarter of 2010, mainly due to higher fees and commissions and continued strong asset quality.

C*orporate banking* generated stable income, despite the modest demand for lending products and the continued low interest rate levels. Activity and demand for corporate borrowing is expected to pick up in the second half of 2010.

The market uncertainty around the countries in southern Europe increased customers' requirements on pricing capacity and access to liquidity.

Trading and Capital Markets strong position made it possible to meet these customer needs. Most business areas gained momentum, reflected in new rankings and the largest market share (9.1 per cent) on the Nordic and Baltic Stock Exchanges among others.

Global Transaction Services continued the positive trend from the first quarter. At the end of the period, assets under custody were SEK 4,770bn (5,127).

The strategic Nordic and German expansion continues according to plan, adding new staff and customers.

Retail Banking

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

Income statement

SEK m	Q2 2010	Q1 2010	%	Q2 2009	%	Jan- Jun 2010	Jan- Jun 2009	%	Full year 2009
Net interest income	1 549	1 537	*1*	1 704	*- 9*	3 086	3 586	*- 14*	6 879
Net fee and commission income	1 083	1 076	*1*	1 124	*- 4*	2 159	2 181	*- 1*	4 428
Net financial income	75	65	*15*	81	*- 7*	140	153	*- 8*	290
Net other income	15	21	*- 29*	13	*15*	36	35	*3*	83
Total operating income	**2 722**	**2 699**	***1***	**2 922**	***- 7***	**5 421**	**5 955**	***- 9***	**11 680**
Staff costs	- 963	- 985	*- 2*	-1 050	*- 8*	-1 948	-2 119	*- 8*	-4 052
Other expenses	-1 126	-1 047	*8*	-1 140	*- 1*	-2 173	-2 218	*- 2*	-4 433
Depreciation, amortisation and impairment of tangible and intangible assets	- 38	- 38	*0*	- 52	*- 27*	- 76	- 96	*- 21*	- 180
Total operating expenses	**-2 127**	**-2 070**	***3***	**-2 242**	***- 5***	**-4 197**	**-4 433**	***- 5***	**-8 665**
Profit before credit losses	**595**	**629**	***- 5***	**680**	***- 13***	**1 224**	**1 522**	***- 20***	**3 015**
Gains less losses on disposals of tangible and intangible assets									- 2
Net credit losses	- 126	- 312	*- 60*	- 363	*- 65*	- 438	- 623	*- 30*	-1 369
Operating profit	**469**	**317**	***48***	**317**	***48***	**786**	**899**	***- 13***	**1 644**
Cost/Income ratio	0,78	0,77		0,77		0,77	0,74		0,74
Business equity, SEK bn	14,0	14,0		15,8		14,0	15,8		15,8
Return on equity, %	10,1	7,1		6,4		8,6	8,8		7,5
Number of full time equivalents	4 932	4 792		5 171		4 855	5 131		5 078

- Operating profit remained negatively impacted by the low interest rate environment
- Investments in the Swedish SME segment continued and SEB attracted new corporate customers
- Card delivered a quarter with solid performance and invested for growth in the co-branding business

Comments on the first six months

Customers in the Retail Banking division showed solid demand for lending, while customer activity levels in general remained moderate. On balance, operating income in the second quarter, at SEK 2,722m, was in line with the first quarter while the first six months were 9 per cent below that of the previous year. With support from lower operating expenses and lower credit losses, operating profit amounted to SEK 786m (899).

During 2010, *Retail Sweden* has invested in improved availability and intensified interaction with existing and potential customers. Examples include added resources in the Telephone Bank, extensive participation in networks for entrepreneurs and SEB's launch of a banking application for the iPhone, which has been adopted by 39,000 customers. Both corporate and private customers contributed to growth in lending volumes. Within mortgage lending specifically, where SEB introduced even more stringent lending criterias in the fourth quarter last year, growth decreased from 14 per cent in the full year of 2009 to an annualized rate of 10 per cent in the first six months of 2010. Both lending and deposit margins were stable. In accordance with SEB's stated ambition to grow the corporate retail business, substantial investments were made both in skill building, recruitment of corporate advisors and the establishment of regional centers targeting larger corporate customers. Progress was confirmed by a net increase of 3,000 corporate customers during the first half of 2010. Provisions for credit losses in Swedish Retail in the first six months amounted to SEK 168m (185) and operating profit to SEK 674m (1,012).

The *Card* business area continued its solid performance and made several investments for future growth, not least in the co-branding segment. Other examples include the launch of improved travel account solutions, allowing customers to reduce their currency-related risks. Turnover growth was below historic levels, but the effect was more than offset by funding costs, which remained low. Operating income in the first six months was SEK 1,368m (1,368) and operating expenses SEK 741m (722). Credit losses amounted to SEK 175m (234) and operating profit to SEK 452m (412).

Retail Germany will due to the divestment be reported as discontinued operations from next quarter. The operating losses continued due to restrained customer activity levels, but lower credit loss provisions gave some support. Operating profit for January-June was SEK -340m (-526). Further information on pro forma effects is presented in Appendix 6 and available on www.sebgroup.com/ir.

Wealth Management

The Wealth Management division has two business areas – Institutional Clients and Private Banking.

Income statement

SEK m	Q2 2010	Q1 2010	%	Q2 2009	%	Jan- Jun 2010	Jan- Jun 2009	%	Full year 2009
Net interest income	120	111	*8*	159	*- 25*	231	349	*- 34*	598
Net fee and commission income	939	868	*8*	713	*32*	1 807	1 372	*32*	2 955
Net financial income	24	18	*33*	16	*50*	42	36	*17*	76
Net other income	47			12		47	13		17
Total operating income	**1 130**	**997**	***13***	**900**	***26***	**2 127**	**1 770**	***20***	**3 646**
Staff costs	- 344	- 314	*10*	- 337	*2*	- 658	- 677	*- 3*	-1 229
Other expenses	- 339	- 302	*12*	- 292	*16*	- 641	- 578	*11*	-1 160
Depreciation, amortisation and impairment of tangible and intangible assets	- 21	- 20	*5*	- 33	*- 36*	- 41	- 63	*- 35*	- 116
Total operating expenses	**- 704**	**- 636**	***11***	**- 662**	***6***	**-1 340**	**-1 318**	***2***	**-2 505**
Profit before credit losses	**426**	**361**	***18***	**238**	***79***	**787**	**452**	***74***	**1 141**
Gains less losses on disposals of tangible and intangible assets				29	*- 100*		29	*- 100*	29
Net credit losses	- 2	- 1	*100*	- 12	*- 83*	- 3	- 20	*- 85*	- 28
Operating profit	**424**	**360**	***18***	**255**	***66***	**784**	**461**	***70***	**1 142**
Cost/Income ratio	0,62	0,64		0,74		0,63	0,74		0,69
Business equity, SEK bn	5,2	5,2		5,5		5,2	5,5		5,5
Return on equity, %	23,5	20,1		13,4		21,5	12,1		14,9
Number of full time equivalents	969	972		1 013		975	1 041		1 016

- Operating profit up as asset values on average recovered
- High net sales and customer growth in turbulent markets
- Strong demand for broader investment solutions with down-side protection

Comments on the first six months

The overall level of customer activity was high, both within Institutional Clients and Private Banking, although the higher risk appetite in the previous quarter diminished due to the European sovereign debt crisis.

Customer demand for products that adjust asset allocation is strong, which is why SEB concentrates on providing dynamic solutions, which facilitate investment decisions. Examples of these are the Modern Investment Programmes and Strategy Funds, where SEB recently launched products with downside protection. The new sales support process launched by Private Banking in the first quarter continued to show encouraging results during the second quarter. The multi-asset approach in communication with clients has been well received and led to new business, even in the current uncertain market climate.

Customer inflow has continued in a good pace, both in Private Banking and Institutional Clients.

A number of roadshows where institutional clients met SEB's portfolio managers have been arranged, leading to improved client relationships and asset inflows. SEB is the second largest mutual fund manager in Sweden with a market share of 16 per cent in the first quarter of 2010. Net sales on the Swedish mutual fund market has continued to improve in 2010. SEB continued to benefit from the market's largest net inflows in mixed funds and long-term fixed income funds. To enhance clients' possibilities to choose between strategies, an increasing number of index products as well as external products have been made available alongside SEB's own products.

As a result of these client efforts, operating profit continued to gain momentum during the first half of 2010, despite the recent market downturn.

Operating income increased by 20 per cent. This was mainly due to an 11 per cent improvement of average assets under management and higher performance and transaction fees, which increased to SEK 181m (44). Brokerage income was good.

The division's total assets under management declined by 1 per cent from year-end 2009, to SEK 1,258bn, primarily due to lower asset values. The strong net sales of SEK 28bn (21) compensated somewhat. Investment performance was good; 52 per cent (59) of portfolios and 61 per cent (69) of assets under management were ahead of their respective benchmarks.

Life

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

Income statement

SEK m	Q2 2010	Q1 2010	%	Q2 2009	%	Jan- Jun 2010	Jan- Jun 2009	%	Full year 2009
Net interest income	- 2	- 2	*0*	- 5	*- 60*	- 4	- 15	*- 73*	- 18
Net life insurance income	1 115	1 186	*- 6*	1 148	*- 3*	2 301	2 191	*5*	4 443
Total operating income	**1 113**	**1 184**	***- 6***	**1 143**	***- 3***	**2 297**	**2 176**	***6***	**4 425**
Staff costs	- 287	- 282	*2*	- 299	*- 4*	- 569	- 573	*- 1*	-1 107
Other expenses	- 135	- 131	*3*	- 146	*- 8*	- 266	- 272	*- 2*	- 536
Depreciation, amortisation and impairment of tangible and intangible assets	- 172	- 173	*- 1*	- 177	*- 3*	- 345	- 342	*1*	- 667
Total operating expenses	**- 594**	**- 586**	***1***	**- 622**	***- 5***	**-1 180**	**-1 187**	***- 1***	**-2 310**
Operating profit	**519**	**598**	***- 13***	**521**	***0***	**1 117**	**989**	***13***	**2 115**
Change in surplus values, net	191	229	*- 17*	395	*- 52*	420	506	*- 17*	900
Business result	**710**	**827**	***- 14***	**916**	***- 22***	**1 537**	**1 495**	***3***	**3 015**
Cost/Income ratio	0,53	0,49		0,54		0,51	0,55		0,52
Business equity, SEK bn	6,0	6,0		6,8		6,0	6,8		6,8
Return on equity, %									
based on operating profit	30,4	35,1		27,0		32,8	25,6		27,4
based on business result	41,7	48,5		47,4		45,1	38,7		39,0
Number of full time equivalents	1 173	1 175		1 196		1 175	1 203		1 191

- Strong result - operating profit increased by 13 per cent compared to 2009
- Well diversified offering in unit-linked supports customers' risk management in volatile markets
- High premium inflow - a confirmation of customer confidence

Comments on the first six months

During the first half of 2010, several customer activities were launched. Improved availability at customer service centers, increased advisory service and enhanced product offerings have been in focus - all in order to strengthen long-term relations with customers.

With the help of additional staff at service centers, the Life division has expanded its service capacity. Customer opinions on how to better meet their needs, now form part of a continuous review of the customer offering. The ambition to ensure a high quality fund offering include the launch of additional Strategy Funds.

Operating profit increased by 13 per cent compared to the first six months of 2009. Excluding the effect of recovered provisions for traditional portfolio guarantees, profit rose by 41 per cent, mainly related to unit-linked products. All business areas showed stable or increased profit levels. Continued focus on unit-linked has led to moderate risk exposure, capital efficiency and increased return on business equity.

Unit-linked income continued to improve as a result of positive market trends as policyholders selected more advanced and equity related alternatives. The total fund value increased by 22 per cent compared to 2009. The result for other product areas developed favourably during the period. Client funds in the traditional business also generated satisfactory returns.

Operating expenses, excluding depreciation, were stable compared to last year. Continued improvement of the administrative efficiency supports a stable cost trend per policy. Depreciation of deferred acquisition costs increased and will continue to do so, but should be seen in the light of increased unit-linked income.

Unit-linked insurance remains the major product group, representing 86 per cent (79) of total sales. The share of corporate pension decreased to 61 per cent (62) due to high volumes of endowment policies in Sweden. Corporate pension continued to be affected by the general business climate, high unemployment levels and low salary increases in Sweden and Denmark. Sales in the Baltic countries have stabilised.

Total premium income increased by 5 per cent, to SEK 16.0bn (15.3). The total value of unit-linked funds was SEK 164bn compared to SEK 134bn at June 2009. Total assets under management (net) increased by 9 per cent to SEK 405bn.

Baltic

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

Income statement

	Q2	Q1		Q2		Jan- Jun			Full year
SEK m	**2010**	**2010**	*%*	**2009**	*%*	**2010**	**2009**	*%*	**2009**
Net interest income	456	490	*- 7*	751	*- 39*	946	1 529	*- 38*	2 679
Net fee and commission income	226	209	*8*	248	*- 9*	435	486	*- 10*	934
Net financial income	36	26	*38*	23	*57*	62	60	*3*	126
Net other income	2	4	*- 50*	- 8	*- 125*	6	4	*50*	55
Total operating income	**720**	**729**	***- 1***	**1 014**	***- 29***	**1 449**	**2 079**	***- 30***	**3 794**
Staff costs	- 161	- 179	*- 10*	- 197	*- 18*	- 340	- 417	*- 18*	- 730
Other expenses	- 285	- 304	*- 6*	- 345	*- 17*	- 589	- 681	*- 14*	-1 452
Depreciation, amortisation and impairment of tangible and intangible assets	- 19	- 20	*- 5*	-2 328	*- 99*	- 39	-2 353	*- 98*	-2 389
Total operating expenses	**- 465**	**- 503**	***- 8***	**-2 870**	***- 84***	**- 968**	**-3 451**	***- 72***	**-4 571**
Profit before credit losses	**255**	**226**	***13***	**-1 856**	***- 114***	**481**	**-1 372**	***- 135***	**- 777**
Gains less losses on disposals of tangible and intangible assets	- 1			- 6	*- 83*	- 1	- 4	*- 75*	- 17
Net credit losses	- 451	-1 431	*- 68*	-2 641	*- 83*	-1 882	-4 343	*- 57*	-9 569
Operating profit	**- 197**	**-1 205**	***- 84***	**-4 503**	***- 96***	**-1 402**	**-5 719**	***- 75***	**-10 363**
Cost/Income ratio	0,65	0,69		2,83		0,67	1,66		1,20
Business equity, SEK bn	11,8	11,8		11,8		11,8	11,8		11,8
Return on equity, %	negative	negative		negative		negative	negative		negative
Number of full time equivalents	2 937	2 957		3 285		2 953	3 326		3 275

- Operating loss substantially reduced and income levels stabilised
- Provision for credit losses in the second quarter - one third of the level in the first quarter
- Confidence boost from Estonia's accession to the euro as from 1 January 2011

Comments on the first six months

An export-led economic recovery in the Baltic region started to gather pace during the second quarter and has demonstrated some gradual growth. As presented in SEB's Nordic Outlook (May 2010), the GDP forecast for 2010 is 2 per cent growth in Estonia and 1 per cent in Lithuania, while Latvia's GDP is expected to drop by 2.8 per cent. In June, European finance ministers gave the green light to Estonia adopting the Euro as of 1 January 2011.

SEB continued to win customer and employer awards across the Baltics in the second quarter. In Latvia, SEB was named Best Bank. In Lithuania, SEB was awarded the title as the most attractive employer in the country.

In the second quarter, the fall in net interest income slowed down as deposit volumes started to increase in Latvia and stabilised in Estonia and Lithuania following some 18 months of decline. Total new lending volumes also started to increase in Latvia and Lithuania. Loan margins stabilised in the first six months, although deposit margins remained low due to the continously low interest rate environment.

Consumer confidence indicators have steadily improved in all three Baltic countries; in the second quarter new mortgage lending was at its highest level since the first quarter of 2009.

At the end of June, the leasing portfolio amounted to SEK 13bn. The average recovery rate on repossessed vehicles was approximately 60 per cent.

As at 30 June 2010, SEB's Real estate Holding Companies (RHC) in the three Baltic countries had acquired assets with a total volume of approximately SEK 158m. SEB's Baltic real estate lending amounted to SEK 24bn, of which 29 per cent was impaired as at 30 June 2010.

Operating expenses of SEK 968m were significantly lower than for the first six months of 2009. This reflects both the recent right-sizing of the distribution network and the goodwill write-off of SEK 2.3bn in second quarter 2009.

Operating profit for the first six months was SEK -1,402m (-5,719). The improvement was due to significantly lower provisions for credit losses, at SEK 1,882m (4,343). Net credit losses in the second quarter, SEK 451m, were one third of those in the previous quarter. Net write-offs remained limited at SEK 28m. Non-performing loans have stabilised in all three countries. The reserve ratio remained unchanged.

Result by geography – January-June 2010

SEB offers universal banking services in Sweden and the Baltic countries–- Estonia, Latvia and Lithuania. It also has a local presence in the other Nordic countries and Germany. Through its global presence in its international network SEB is present in altogether some 20 countries.

- Low policy rates continue to negatively affect deposit margins in all markets
- Robust Nordic economies support improving business volumes and recovering corporate activity levels
- Improved asset quality across the borders; lower provisions for credit losses in the Baltic countries

Comments on the first six months

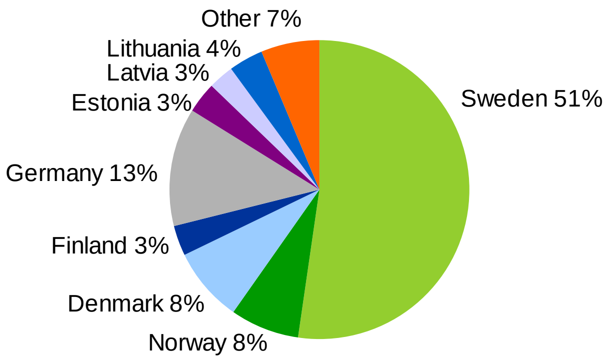
In *Sweden*, which accounts for 51 per cent of SEB's operating income, activity levels in general increased one notch. The lower operating profit compared with last year has to be put into the perspective of the exceptional circumstances of 2009. Corporate activity in general remained subdued, while mortgage lending increased by 13 per cent compared to the first half of 2009.

In *Denmark*, the corporate banking market has been normalised. SEB's growth initiatives have started to pay off and the Bank has attracted targeted clients. During the year, SEB has also taken a leading position with about 30 per cent market share in state-guaranteed bond issuance from Danish regional and local banks. Unit-linked sales increased by 51 per cent compared to 2009, while sales of traditional products fell, leaving overall sales flat. Operating profit in Wealth Management increased. Overall, SEB's financial performance was up 8 per cent from the exceptional 2009.

In *Finland*, Wealth Management improved its operating profit, while Merchant Banking's profit was unchanged. The lower market volatility has reduced the extraordinary high profits within Trading and Capital Markets to more normal levels while loan market activity has increased. Operating profit rose by 11 per cent.

In *Norway*, SEB's overall financial performance was lower than in the exceptional previous year. The activity in the merger and acquisition market has been picking up and

Operating income per country, Jan-June 2010



SEB took part in a number of major transactions in the second quarter. In addition, SEB has arranged a number of bond issues, among other as sole arranger of a domestic Swedish bond issue of SEK 2,5bn for Statkraft. SEB has seen inflows of new clients and volumes both within Private Banking and Institutional Clients.

In *Germany*, Merchant Banking increased its client activities but capital markets income was lower. Income in Wealth Management increased. In Retail Banking negative effects from the continued low market interest rates continued but through cost management and lower credit losses the operating loss decreased.

In the *Baltic* region a gradual recovery is under way, as described on page 16.

Distribution by country Jan - Jun	Total operating income			Total operating expenses			Operating profit		
SEK m	**2010**	**2009**	**%**	**2010**	**2009**	**%**	**2010**	**2009**	**%**
Sweden	10 016	13 199	*-24*	-7 246	-9 296	*-22*	2 565	3 167	*-19*
Norway	1 448	1 903	*-24*	- 640	- 678	*-6*	719	1 080	*-33*
Denmark	1 566	1 599	*-2*	- 801	- 852	*-6*	716	666	*8*
Finland	604	573	*5*	- 259	- 258	*0*	332	298	*11*
Germany	2 485	3 399	*-27*	-2 447	-2 652	*-8*	- 131	432	*-130*
Estonia	614	689	*-11*	- 354	- 641	*-45*	1	- 639	*-100*
Latvia	533	920	*-42*	- 278	- 417	*-33*	- 490	-1 099	*-55*
Lithuania	679	975	*-30*	- 436	-1 104	*-61*	- 635	-2 189	*-71*
Other countries and eliminations	1 248	1 347	*-7*	- 525	- 358	*47*	578	704	*-18*
Total	**19 193**	**24 604**	***-22***	**-12 986**	**-16 256**	***-20***	**3 655**	**2 420**	***51***

Goodwill impairments for holdings in Baltic countries, Russia and Ukraine affected operating expenses and profit in Sweden, Estonia and Lithuania with SEK 2,1bn, 0,3bn and 0,6bn, respectively in the first half of 2009.

The SEB Group

Net interest income – SEB Group

SEK m	Q2 2010	Q1 2010	%	Q2 2009	%	Jan - Jun 2010	Jan - Jun 2009	%	Full year 2009
Interest income	12 293	12 271	*0*	16 276	*- 24*	24 564	36 242	*- 32*	63 179
Interest expense	-8 198	-8 396	*- 2*	-10 906	*- 25*	-16 594	-24 968	*- 34*	-43 689
Net interest income	**4 095**	**3 875**	***6***	**5 370**	***- 24***	**7 970**	**11 274**	***- 29***	**19 490**

Net fee and commission income – SEB Group

SEK m	Q2 2010	Q1 2010	%	Q2 2009	%	Jan - Jun 2010	Jan - Jun 2009	%	Full year 2009
Issue of securities	124	45	*176*	167	*- 26*	169	202	*- 16*	501
Secondary market	490	503	*- 3*	732	*- 33*	993	1 291	*- 23*	2 465
Custody and mutual funds	1 855	1 739	*7*	1 445	*28*	3 594	2 790	*29*	5 967
Securities commissions	**2 469**	**2 287**	***8***	**2 344**	***5***	**4 756**	**4 283**	***11***	**8 933**
Payments	463	451	*3*	465	*0*	914	922	*- 1*	1 858
Card fees	1 050	998	*5*	1 090	*- 4*	2 048	2 127	*- 4*	4 248
Payment commissions	**1 513**	**1 449**	***4***	**1 555**	***- 3***	**2 962**	**3 049**	***- 3***	**6 106**
Advisory	167	143	*17*	293	*- 43*	310	470	*- 34*	1 037
Lending	458	341	*34*	352	*30*	799	687	*16*	1 383
Deposits	26	26		27	*- 4*	52	55	*- 5*	108
Guarantees	108	112	*- 4*	99	*9*	220	194	*13*	416
Derivatives	157	134	*17*	153	*3*	291	312	*- 7*	558
Other	208	149	*40*	179	*16*	357	350	*2*	711
Other commissions	**1 124**	**905**	***24***	**1 103**	***2***	**2 029**	**2 068**	*- 2*	**4 213**
Fee and commission income	**5 106**	**4 641**	***10***	**5 002**	***2***	**9 747**	**9 400**	***4***	**19 252**
Securities commissions	- 307	- 295	*4*	- 190	*62*	- 602	- 423	*42*	- 874
Payment commissions	- 613	- 592	*4*	- 597	*3*	-1 205	-1 236	*- 3*	-2 442
Other commissions	- 257	- 271	*- 5*	- 413	*- 38*	- 528	- 724	*- 27*	-1 476
Fee and commission expense	**-1 177**	**-1 158**	***2***	**-1 200**	***- 2***	**-2 335**	**-2 383**	***- 2***	**-4 792**
Securities commissions, net	2 162	1 992	*9*	2 154	*0*	4 154	3 860	*8*	8 059
Payment commissions, net	900	857	*5*	958	*- 6*	1 757	1 813	*- 3*	3 664
Other commissions, net	867	634	*37*	690	*26*	1 501	1 344	*12*	2 737
Net fee and commission income	**3 929**	**3 483**	***13***	**3 802**	***3***	**7 412**	**7 017**	***6***	**14 460**

Net financial income – SEB Group

SEK m	Q2 2010	Q1 2010	%	Q2 2009	%	Jan - Jun 2010	Jan - Jun 2009	%	Full year 2009
Equity instruments and related derivatives	334	138	*142*	- 166		472	- 71		- 67
Debt instruments and related derivatives	205	327	*-37*	568	*- 64*	532	626	*-15*	804
Currency related	506	495	*2*	1 127	*- 55*	1 001	2 168	*-54*	3 913
Other financial instruments	- 14	2		- 2		- 12	1		- 4
Impairments	- 54	- 12		- 56	*- 4*	- 66	- 120	*-45*	- 161
Net financial income	**977**	**950**	***3***	**1 471**	***- 34***	**1 927**	**2 604**	***-26***	**4 485**

Net credit losses – SEB Group

SEK m	Q2 2010	Q1 2010	%	Q2 2009	%	Jan - Jun 2010	Jan - Jun 2009	%	Full year 2009
Provisions:									
Net collective provisions for individually assessed loans	381	- 749	*-151*	-1 305		- 368	-2 207	*-83*	-1 844
Net collective provisions for portfolio assessed loans	- 201	- 398	*-49*	- 549	*-63*	- 599	- 981	*-39*	-1 962
Specific provisions	- 869	- 837	*4*	-1 691	*-49*	-1 706	-2 603	*-34*	-7 256
Reversal of specific provisions no longer required	341	369	*-8*	176	*94*	710	366	*94*	621
Net provisions for off-balance sheet items	8	- 36	*-122*	133	*-94*	- 28	- 18	*56*	- 224
Net provisions	**- 340**	**-1 651**	***-79***	**-3 236**	***-89***	**-1 991**	**-5 443**	***-63***	**-10 665**
Write-offs:									
Total write-offs	- 513	- 574	*-11*	- 494	*4*	-1 087	- 785	*38*	-2 615
Reversal of specific provisions utilized for write-offs	245	263	*-7*	135	*81*	508	214	*137*	688
Write-offs not previously provided for	- 268	- 311	*-14*	- 359	*-25*	- 579	- 571	*1*	-1 927
Recovered from previous write-offs	- 11	36	*-131*	28	*-139*	25	61	*-59*	144
Net write-offs	**- 279**	**- 275**	***1***	**- 331**	***-16***	**- 554**	**- 510**	***9***	**-1 783**
Net credit losses	**- 619**	**-1 926**	***-68***	**-3 567**	***-83***	**-2 545**	**-5 953**	***-57***	**-12 448**

Balance sheet – SEB Group

SEK m	30 Jun 2010	31 Dec 2009	30 Jun 2009
Cash and cash balances with central banks	17 372	36 589	97 886
Loans to credit institutions	246 891	331 460	213 245
Loans to the public	1 226 476	1 187 837	1 304 683
Financial assets at fair value *	670 990	581 641	568 035
Available-for-sale financial assets *	65 988	87 948	98 014
Held-to-maturity investments *	1 500	1 332	1 845
Investments in associates	1 018	995	1 174
Tangible and intangible assets	27 565	27 770	27 900
Other assets	60 807	52 655	60 736
Total assets	**2 318 607**	**2 308 227**	**2 373 518**
Deposits from credit institutions	358 448	397 433	405 699
Deposits and borrowing from the public	759 347	801 088	823 359
Liabilities to policyholders	253 024	249 009	227 401
Debt securities	486 330	456 043	488 951
Financial liabilities at fair value	258 415	191 440	211 978
Other liabilities	70 867	75 149	72 220
Provisions	1 753	2 033	1 822
Subordinated liabilities	32 209	36 363	43 287
Total equity	98 214	99 669	98 801
Total liabilities and equity	**2 318 607**	**2 308 227**	**2 373 518**
* Of which bonds and other interest bearing securities including derivatives.	469 235	457 209	474 129

Off-balance sheet items – SEB Group

SEK m	30 Jun 2010	31 Dec 2009	30 Jun 2009
Collateral pledged for own liabilities	334 731	420 302	389 169
Other pledged collateral	212 044	202 168	165 364
Contingent liabilities	87 050	84 058	89 545
Commitments	378 319	378 442	385 005

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 Shareholders' equity	Minority interests	Total Equity
Jan-Jun 2010									
Opening balance	21 942	76 699	- 412	-1 096	793	1 491	**99 417**	252	**99 669**
Net profit		2 661					**2 661**	32	**2 693**
Other comprehensive income (net of tax)			-377	- 415	- 362	-804	**-1 958**	- 19	**-1 977**
Total comprehensive income		**2 661**	**- 377**	**- 415**	**- 362**	**- 804**	**703**	**13**	**716**
Dividend to shareholders		-2 194					**-2 194**		**-2 194**
Swap hedging of employee stock option programme*		- 1					**-1**		**-1**
Eliminations of repurchased shares for employee stock option programme**		24					**24**		**24**
Closing balance	**21 942**	**77 189**	**- 789**	**-1 511**	**431**	**687**	**97 949**	**265**	**98 214**
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**
Jan-Jun 2009									
Opening balance	6 872	75 949	-225	-3 062	1 767	2 236	**83 537**	192	**83 729**
Net profit		832					**832**	25	**857**
Other comprehensive income (net of tax)			-420	264	- 480	166	**- 470**	7	**- 463**
Total recognised income		**832**	**- 420**	**264**	**- 480**	**166**	**362**	**32**	**394**
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**		7					**7**		**7**
Closing balance	**21 942**	**76 389**	**- 645**	**-2 798**	**1 287**	**2 402**	**98 577**	**224**	**98 801**

* Includes changes in nominal amounts of equity swaps used for hedging of stock option programmes.
** As of 31 December 2009 SEB owned 810,155 Class A-shares for the employee stock option programme. The acquisition cost for these shares is deducted from shareholders' equity. During 2010 799,669 net of these shares have been sold as employee stock options have been exercised. Thus, as of 30 June 2010 SEB owned 10,486 Class A-shares with a market value of SEK 0.4m for hedging of the long-term incentive programmes.

Cash flow statement – SEB Group

SEK m	Jan - Jun 2010	Jan - Jun 2009	%	Full year 2009
Cash flow from operating activities	73 248	- 14 901		- 74 456
Cash flow from investment activities	262	- 522	*- 150*	- 5
Cash flow from financing activities	- 49 562	7 275		- 11 013
Net increase in cash and cash equivalents	**23 948**	**- 8 148**		**- 85 474**
Cash and cash equivalents at beginning of year	89 673	175 147	*- 49*	175 147
Net increase in cash and cash equivalents	23 948	- 8 148		- 85 474
Cash and cash equivalents at end of period[1)]	**113 621**	**166 999**	***- 32***	**89 673**

1) 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

	Q2 2010	Q1 2010	%	Q2 2009	%	Jan - Jun 2010	Jan - Jun 2009	%	Full year 2009
Reclassified, SEK m									
Opening balance	114 156	125 339	*-9*	157 568	*-28*	125 339	107 899	*16*	107 899
Reclassified							51 770	*-100*	51 770
Amortisations	-1 342	-1 668	*-20*	-1 850	*-27*	-3 010	-3 775	*-20*	-6 683
Securities sold	-4 633	-5 623	*-18*	-1 811	*156*	-10 256	-3 827	*168*	-18 180
Accrued coupon	- 198	231	*-186*	- 163	*21*	33	617	*-95*	465
Exchange rate differences	- 979	-4 123	*-76*	-1 617	*-39*	-5 102	- 557		-9 932
Closing balance*	**107 004**	**114 156**	**- 6**	**152 127**	**- 30**	**107 004**	**152 127**	***-30***	**125 339**
* Market value	104 503	111 052	-6	141 668	-26	104 503	141 668		120 635
Fair value impact - if not reclassified, SEK m									
In Equity (AFS origin)	1 200	1 248	*-4*	- 514		2 448	-3 720	*-166*	759
In Income Statements (HFT origin)	- 597	352		454		- 245	136		1 412
Total	**603**	**1 600**	***-62***	**- 60**		**2 203**	**-3 584**	***-161***	**2 171**
Effect in Income Statements, SEK m*									
Net interest income	442	380	*16*	674	*-34*	822	2 045	*-60*	2 974
Net financial income	- 690	1 911	*-136*	-1 344	*-49*	1 221	- 68		-5 141
Other income	- 34	30		- 196	*-83*	- 4	9	*-144*	50
Total	**- 282**	**2 321**	***-112***	**- 866**	***-67***	**2 039**	**1 986**	***3***	**-2 117**

* The effect in the 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 effects from financing activities. Other income is the realised gains or losses from sales in the portfolio.

Non-performing loans – SEB Group

SEK m	30 June 2010	31 December 2009	30 June 2009
Individually assessed impaired loans			
Impaired loans, past due > 60 days	16 725	18 157	14 802
Impaired loans, performing or past due < 60 days	2 513	3 167	1 888
Total individually assessed impaired loans	**19 238**	**21 324**	**16 690**
Specific reserves	- 10 406	- 10 456	- 7 001
for impaired loans, past due > 60 days	*- 9 333*	*- 9 489*	*- 6 212*
for impaired loans, performing or past due < 60 days	*- 1 073*	*- 967*	*- 789*
Collective reserves	- 4 386	- 4 371	- 4 963
Impaired loans net	**4 446**	**6 497**	**4 726**
Specific reserve ratio for individually assessed impaired loans	54.1%	49.0%	41.9%
Total reserve ratio for individually assessed impaired loans	76.9%	69.5%	71.7%
Net level of impaired loans	0.60%	0.72%	0.64%
Gross level of impaired loans	1.29%	1.39%	1.10%
Portfolio assessed loans			
Portfolio assessed loans past due > 60 days	7 107	6 937	6 393
Restructured loans	555	312	
Collective reserves for portfolio assessed loans	- 3 668	- 3 250	- 2 375
Reserve ratio for portfolio assessed loans	47.9%	44.8%	37.2%
Reserves			
Specific reserves	- 10 406	- 10 456	-7 001
Collective reserves	- 8 054	- 7 621	-7 338
Reserves for off-balance sheet items	- 503	- 478	- 281
Total reserves	**- 18 963**	**- 18 555**	**- 14 620**
Non-performing loans			
Non-performing loans*	26 900	28 573	23 083
NPL coverage ratio	70.5%	64.9%	63.3%
NPL % of lending	1.80%	1.86%	1.51%

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

Seized assets – SEB Group

SEK m	30 June 2010	31 December 2009	30 June 2009
Properties, vehicles and equipment	241	217	621
Shares	54	62	63
Total seized assets	**295**	**279**	**684**

Capital base of the SEB financial group of undertakings

SEK m	30 June 2010	31 Dec 2009
Total equity according to balance sheet (1)	98 214	99 669
./. Dividend (excl repurchased shares)	-1 097	-2 193
./. Investments outside the financial group of undertakings (2)	-36	-47
./. Other deductions outside the financial group of undertakings (3)	-2 037	-2 570
= Total equity in the capital adequacy	**95 044**	**94 859**
Adjustment for hedge contracts (4)	-57	-419
Net provisioning amount for IRB-reported credit exposures (5)	0	-297
Unrealised value changes on available-for-sale financial assets (6)	1 511	1 096
./. Exposures where RWA is not calculated (7)	-1 457	-1 169
./. Goodwill (8)	-4 374	-4 464
./. Other intangible assets	-2 683	-2 616
./. Deferred tax assets	-1 768	-1 609
= Core Tier 1 capital	**86 216**	**85 381**
Tier 1 capital contribution (non-innovative)	4 762	5 130
Tier 1 capital contribution (innovative)	11 217	11 093
= Tier 1 capital	**102 195**	**101 604**
Dated subordinated debt	5 217	11 028
./. Deduction for remaining maturity	-383	-658
Perpetual subordinated debt	7 738	7 386
Net provisioning amount for IRB-reported credit exposures (5)	1 449	-297
Unrealised gains on available-for-sale financial assets (6)	504	642
./. Exposures where RWA is not calculated (7)	-1 457	-1 169
./. Investments outside the financial group of undertakings (2)	-36	-47
= Tier 2 capital	**13 032**	**16 885**
./. Investments in insurance companies (9)	-10 500	-10 601
./. Pension assets in excess of related liabilities (10)	-869	-543
= Capital base	**103 858**	**107 345**

Total equity according to the balance sheet (1) includes the current year's profit, which has been reviewed by the auditors.

Deductions (2) for investments outside the financial group of undertakings should be made with equal parts from Tier 1 and Tier 2 capital. However, investments in insurance companies made before 20 July 2006 can be deducted from the capital base (9) – this holds for SEB's investments in insurance companies.

The deduction (3) consists of retained earnings in subsidiaries outside the financial group of undertakings.

The adjustment (4) refers to differences in how hedging contracts are acknowledged according to the capital adequacy regulation, as compared with the preparation of the balance sheet.

If provisions and value adjustments for credit exposures reported according to the Internal Rating Based approach fall short of expected losses on these exposures, the difference (5) should be deducted in equal parts from Tier 1 and Tier 2 capital. A corresponding excess can, up to a certain limit, be added to Tier 2 capital.

For Available For Sale portfolios (6) value changes on debt instruments should not be acknowledged for capital adequacy. Any surplus attributable to equity instruments may be included in Tier 2 capital.

Securitisation positions with external rating below BB/Ba are not included in RWA calculations but are treated via deductions (7) from Tier 1 and Tier 2 capital.

Goodwill in (8) relates only to consolidation into the financial group of undertakings. When consolidating the entire Group's balance sheet further goodwill of SEK 5,721m is created. This is included in the deduction (9) for insurance investments.

Pension surplus values (10) should be deducted from the capital base, excepting such indemnification as prescribed in the Swedish Act on safeguarding of pension undertakings.

On 30 June 2010 the parent company's Tier 1 capital was SEK 94,009m (93,674) and the reported Tier 1 capital ratio was 15.5 per cent (14.8).

Capital requirements for the SEB financial group of undertakings

Capital requirements SEK m	30 June 2010	31 Dec 2009
Credit risk, IRB reported capital requirements		
Institutions	3 341	4 016
Corporates (1)	32 569	32 406
Securitisation positions	685	847
Retail mortgages	5 408	5 202
Other retail exposures	824	863
Other exposure classes	124	131
Total for credit risk, IRB approach	**42 951**	**43 465**
Further capital requirements		
Credit risk, Standardised approach (2)	6 893	7 805
Operational risk, Advanced Measurement approach	3 185	3 157
Foreign exchange rate risk	925	636
Trading book risks	3 181	3 376
Total	**57 135**	**58 439**
Summary		
Credit risk	49 844	51 270
Operational risk	3 185	3 157
Market risk	4 106	4 012
Total	**57 135**	**58 439**
Adjustment for flooring rules		
Addition according to transitional flooring (3)	8 822	5 175
Total reported	**65 957**	**63 614**

Corporate exposures (1) exclude such small companies where the total exposure does not exceed certain regulatory-defined thresholds.

The Standardised approach (2) is used for credit exposures to central governments, central banks and local governments and authorities, and to exposures where IRB implementation is on-going. The reported capital requirement is dominated by the Corporate and Retail exposure classes.

During 2009 institutions were required to have a capital base not below 80 per cent of the capital requirement according to Basel I regulation. Following supervisory guidance the same should hold also during years 2010 and 2011. The addition (3) is made in consequence with these transitional arrangements.

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Capital adequacy analysis

Representing business volumes as RWA (risk-weighted assets, 12.5 times the capital requirement) the regulatory minima can be expressed as a total capital ratio of at least 8 per cent and a Tier 1 capital ratio of at least 4 per cent. However, and following the "second pillar" of the new framework, banks are expected to operate above this level. The margin supports SEB's high rating ambitions, covering risks that are not included in the capital adequacy regulation, and representing a buffer for the less benign phases of the business cycle. The Group's internal capital assessment process is based on the long term business plans and utilises SEB's economic capital model, supplemented e.g. with macro economic analysis and stress testing.

Capital adequacy	30 June 2010	31 Dec 2009
Capital resources		
Core Tier 1 capital	86 216	85 381
Tier 1 capital	102 195	101 604
Capital base	103 858	107 345
Capital adequacy without transitional floor (Basel II)		
Capital requirement	57 135	58 439
Expressed as Risk-weighted assets	714 186	730 492
Core Tier 1 capital ratio	12,1%	11,7%
Tier 1 capital ratio	14,3%	13,9%
Total capital ratio	14,5%	14,7%
Capital adequacy quotient (capital base / capital requirement)	1,82	1,84
Capital adequacy including transitional floor		
Transition floor applied	80%	80%
Capital requirement	65 957	63 614
Expressed as Risk-weighted assets	824 462	795 177
Core Tier 1 capital ratio	10,5%	10,7%
Tier 1 capital ratio	12,4%	12,8%
Total capital ratio	12,6%	13,5%
Capital adequacy quotient (capital base / capital requirement)	1,57	1,69
Capital adequacy with risk weighting according to Basel I		
Capital requirement	80 635	80 260
Expressed as Risk-weighted assets	1 007 939	1 003 250
Core Tier 1 capital ratio	8,6%	8,5%
Tier 1 capital ratio	10,1%	10,1%
Total capital ratio	10,3%	10,7%
Capital adequacy quotient (capital base / capital requirement)	1,29	1,34

Overall Basel II RWA (before the effect of transitional flooring) decreased with 2 per cent or SEK 16bn over the first two quarters. This corresponds almost exactly to the currency translation effect from the stronger Swedish krona. Risk weight changes are discussed below. Underlying credit volumes showed a mixed pattern where increased corporate lending added some SEK 5bn to RWA while e.g. inter-bank volumes decreased. The net change from efficiency projects and underlying credit volumes was close to zero. Operational and market RWA were stable over the two quarters.

With the effect of transitional flooring included RWA increased from SEK 795bn to 824bn over the two quarters. The transitional rule is not only based on "80% of Basel I" but also considers net provisioning; since this amount increased over the two quarters reported RWA increases more than Basel I RWA which was almost stable.

The above means that un-floored Basel II RWA was 29 per cent lower than Basel I RWA. SEB uses a gradual roll-out of the Basel II framework; the ultimate target is to use IRB reporting for all credit exposures except those to central governments, central banks and local governments and authorities, and excluding a small number of insignificant portfolios. The current best estimate indicates that this would mean a reduction in total RWA (compared with Basel I, and as a business cycle average) of 35 per cent. This cannot be equated with a similar capital release, however, due to the new framework's increased business cycle sensitivity, supervisory evaluation and rating agency considerations. In addition the estimate will surely be affected by the proposed revisions to the international capital framework ("Basel III") published by the Basel Committee in December 2009. SEB participates in the Basel Committee's impact study concerned with the proposal.

The following table exposes average risk weights (RWA divided by EAD, Exposure At Default) for exposures where RWA is calculated following the IRB approach. Repo-style transactions are excluded from the analysis since they carry low risk weight and can vary considerably in volume, thus making numbers less comparable.

IRB reported credit exposures (less repos and securities lending) **Average risk weight**	**30 June** **2010**	**31 Dec** **2009**
Institutions	18,1%	17,5%
Corporates	57,7%	57,8%
Securitisation positions	22,5%	22,6%
Retail mortgages	17,1%	17,2%
Other retail exposures	38,6%	38,5%

Internal risk class migration increased RWA for corporate exposures with SEK 4bn over the two quarters. This was countered by a volume shift towards customers in the better risk classes so the average risk weight was unchanged. No migration effect was recorded for inter-bank exposures but the average risk weight increased slightly since the overall volume decrease was not proportional over risk classes.

Income statement – Skandinaviska Enskilda Banken AB (publ)

In accordance with FSA regulations	Q2	Q1		Q2		Jan - Jun			Full year
SEK m	2010	2010	%	2009	%	2010	2009	%	2009
Interest income	6 529	6 250	4	8 683	-25	12 779	19 895	-36	33 420
Leasing income	1 361	1 353	1	1 455	-6	2 714	3 017	-10	5 800
Interest expense	-4 524	-4 507	0	-6 037	-25	-9 031	-14 421	-37	-24 151
Dividends	152	234	-35	238	-36	386	277	39	2 757
Fee and commission income	2 230	1 862	20	2 138	4	4 092	3 882	5	7 851
Fee and commission expense	- 413	- 367	13	- 456	-9	- 780	- 838	-7	-1 636
Net financial income	1 119	966	16	1 292	-13	2 085	2 393	-13	4 065
Other income	118	194	-39	1 699	-93	312	2 069	-85	2 811
Total operating income	**6 572**	**5 985**	**10**	**9 012**	**-27**	**12 557**	**16 274**	**-23**	**30 917**
Administrative expenses	-3 579	-3 282	9	-3 310	8	-6 861	-6 565	5	-12 117
Depreciation, amortisation and impairment of tangible and intangible assets	-1 162	-1 144	2	-1 191	-2	-2 306	-2 430	-5	-5 125
Total operating expenses	**-4 741**	**-4 426**	**7**	**-4 501**	**5**	**-9 167**	**-8 995**	**2**	**-17 242**
Profit before credit losses	**1 831**	**1 559**	**17**	**4 511**	**-59**	**3 390**	**7 279**	**-53**	**13 675**
Net credit losses		- 171	-100	- 441	-100	- 171	- 609	-72	- 984
Impairment of financial assets	- 412	- 40		- 111		- 452	- 747	-39	-1 222
Operating profit	**1 419**	**1 348**	**5**	**3 959**	**-64**	**2 767**	**5 923**	**-53**	**11 469**
Appropriations	2	- 1				1	- 2	-150	-1 510
Income tax expense	- 620	- 927	-33	- 115		-1 547	- 370		-1 451
Other taxes	- 53			-1 071		- 53	-1 312	-96	-1 544
Net profit	**748**	**420**	**78**	**2 773**	**-73**	**1 168**	**4 239**	**-72**	**6 964**

Statement of comprehensive income – Skandinaviska Enskilda Banken AB (publ)

	Q2	Q1		Q2		Jan - Jun			Full year
SEK m	2010	2010	%	2009	%	2010	2009	%	2009
Net profit	**748**	**420**	**78**	**2 773**	**-73**	**1 168**	**4 239**	**-72**	**6 964**
Translation of foreign operations	23	-41	-156	1		- 18	-193	-91	- 96
Available-for-sale financial assets	-454	127		364		- 327	109		1 053
Cash flow hedges	-217	-142	53	- 404	-46	- 359	-496	-28	- 965
Group contributions	216	285	-24	191	13	501	36		662
Other	-67	4		266	-125	- 63	109	-158	146
Other comprehensive income (net of tax)	**- 499**	**233**		**418**		**- 266**	**- 435**	**- 39**	**800**
Total comprehensive income	**249**	**653**	**- 62**	**3 191**	**-92**	**902**	**3 804**	**- 76**	**7 764**

Balance sheet - Skandinaviska Enskilda Banken AB (publ)

Condensed **SEK m**	**30 Jun** **2010**	**31 December** **2009**	**30 Jun** **2009**
Cash and cash balances with central banks	2 565	21 815	5 285
Loans to credit institutions	338 621	376 223	353 332
Loans to the public	748 115	732 475	776 184
Financial assets at fair value	388 507	304 675	307 933
Available-for-sale financial assets	13 459	16 331	19 492
Held-to-maturity investments	4 487	3 789	3 223
Investments in associates	939	907	1 081
Shares in subsidiaries	57 039	59 325	59 183
Tangible and intangible assets	41 261	41 354	41 218
Other assets	44 385	39 022	42 069
Total assets	**1 639 378**	**1 595 916**	**1 609 000**
Deposits from credit institutions	350 796	386 530	396 860
Deposits and borrowing from the public	462 008	490 850	451 664
Debt securities	423 602	368 784	391 311
Financial liabilities at fair value	240 752	176 604	194 744
Other liabilities	43 361	48 886	48 714
Provisions	216	496	556
Subordinated liabilities	31 645	35 498	42 373
Untaxed reserves	22 646	22 645	21 137
Total equity	64 352	65 623	61 641
Total liabilities, untaxed reserves and shareholders' equity	**1 639 378**	**1 595 916**	**1 609 000**

Off-balance sheet items - Skandinaviska Enskilda Banken AB (publ)

SEK m	**30 Jun** **2010**	**31 December** **2009**	**30 Jun** **2009**
Collateral pledged for own liabilities	188 273	268 284	250 121
Other pledged collateral	48 238	47 031	32 327
Contingent liabilities	65 149	64 045	70 909
Commitments	278 684	275 203	266 034

The SEB share

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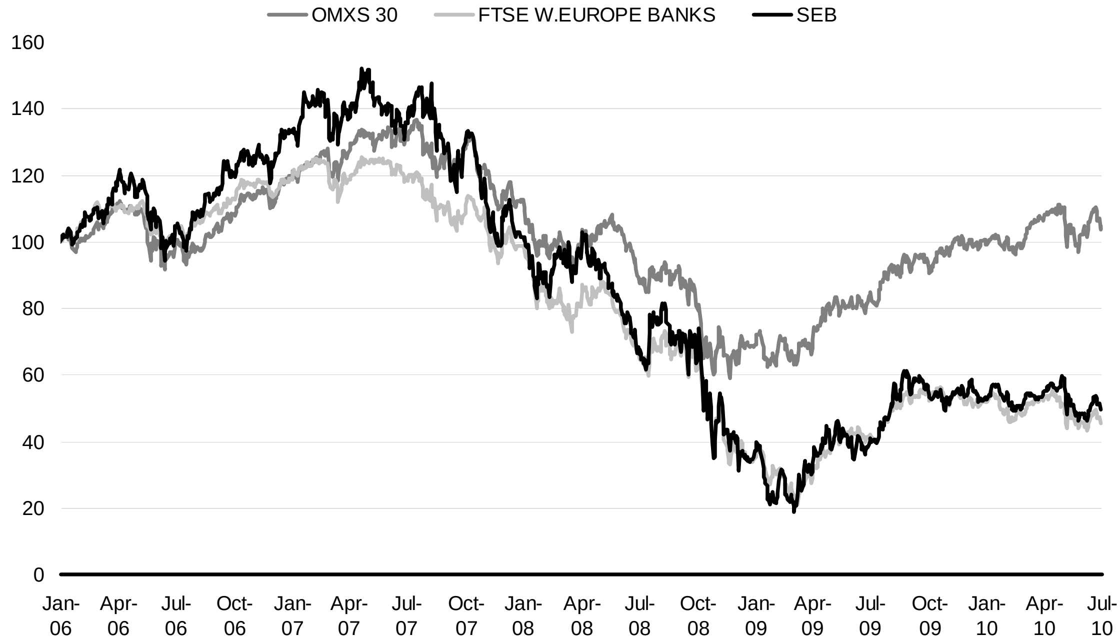

Rating

Moody's Outlook Stable (June 2010)		Standard & Poor's Outlook Stable (February 2010)		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

June 2010	Share of capital, per cent
Investor AB	20,8
Trygg Stiftelsen	8,1
Alecta	6,9
Swedbank/ Robur fonder	3,8
AMF Försäkring & fonder	2,0
AFA Försäkring	1,7
SHB Fonder incl XACT	1,5
Första AP fonden	1,5
Wallenberg foundations	1,5
SEB Investment Management	1,4
Foreign shareholders	19,0

Source: Euroclear Sweden