Annual Accounts 2010

STOCKHOLM 4 FEBRUARY 2011

For comparative purposes, the Group's income statement has been restated as continuing and discontinued operations, reflecting the divestment of SEB's German retail operations.

2010 – operating profit SEK 11.1bn (4.4)

Continuing operations: net profit SEK 8.6bn (1.9) – earnings per share SEK 3.88 (0.95), RoE 8.7 per cent (1.9)
Including discontinued operations: net profit SEK 6.8bn (1.2) – earnings per share SEK 3.07 (0.58), RoE 6.8 per cent (1.2)

- Operating income decreased by 11 per cent. Net interest income decreased by 11 per cent and Net fee and commission income increased by 7 per cent. Operating expenses decreased by 5 per cent.
- Provisions for credit losses were SEK 1,837m (12,030) and the credit loss level 0.14 per cent (0.92).
- Business volumes recovered towards the end of the year and assets under management were at an all-time high.
- The core Tier 1 capital ratio was 12.2 per cent (11.7) and the Tier 1 capital ratio 14.2 per cent (13.9).
- The Board of Directors proposes a dividend per share of SEK 1.50 (1.00).

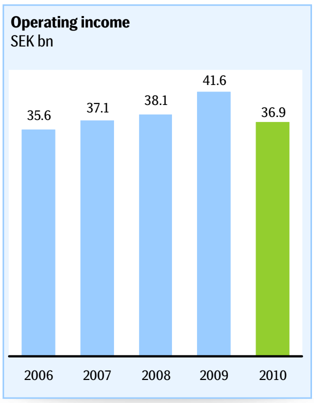
The fourth quarter – operating profit SEK 4.3bn (0.8)

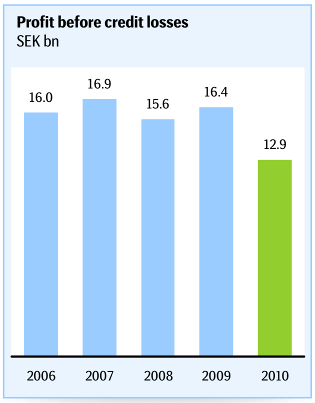
Continuing operations: net profit SEK 3.6bn (0.4)
Including discontinued operations: net profit SEK 3.5bn (0.3)

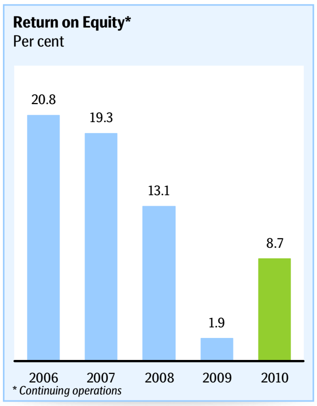
- Operating income was up by 9 per cent compared with the corresponding quarter in 2009 and up 13 per cent since the previous quarter. Operating expenses were 15 per cent higher than in the corresponding quarter of 2009 and 1 per cent down from the previous quarter.
- A net release of provisions for credit losses of SEK 419m was made.
- Return on Equity for continuing operations in the fourth quarter was 14.6 per cent (1.6).

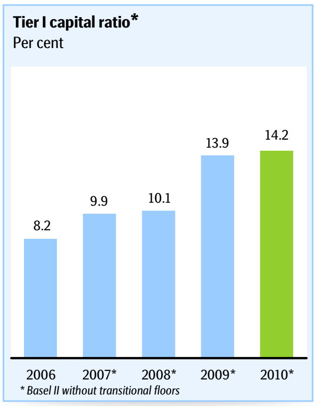
"Our result 2010 reflects that corporate activity gained momentum towards the end of the year and that asset quality clearly improved following the Baltic stabilisation. Our position as *the* Relationship Bank is today stronger than before the turbulence of the last years, a merit to the long-term customer orientation which guided us in a difficult environment."

Annika Falkengren









President's comment

As we close the books on 2010, we can sum up and conclude on a long period of exceptional market conditions and severe macro-economic challenges. SEB's prioritisations and decisions have throughout this period been to safeguard long-term financial stability in order to support our customers and enhance our position as the Relationship Bank.

The outlook for the global economy ended on a more promising note than the more fragile sentiment that marked the start of the year. All through the year the Nordic countries showed resilience as did the German economy. In Sweden all previous support measures of the funding market came to an end and Riksbanken started to hike its repo rate. In the Baltic region, 2010 was marked by a clear stabilisation.

Higher operating profit

SEB ended the year with an operating profit of SEK 4.3bn and a return of equity of 14.6 per cent in the quarter. Operating income exceeded SEK 10bn as customer activity was high.

The operating profit for the full year amounted to SEK 11.1bn and return on equity reached 8.7 per cent. The main contributors to the profit increase of SEK 6.8bn were a marked improvement in the Baltic countries with a decrease in non-performing loans and higher corporate activity on the back of a gradual return to more normalised markets.

Unique customer relationships

SEB plays a unique role in supporting businesses and institutions as a financial partner. Over the last years, SEB's customer relationships have deepened further. Since the start of the global financial crisis in the summer of 2007, SEB's corporate credit portfolio has increased by SEK 127bn, or 24 per cent.

Customers have reaffirmed our Nordic top position in several rankings as for example in Prospera's equity research survey as well as in its corporate relationship banking survey. In Sweden, SEB was named the Business Bank of the year. Servicing more than 166,000 corporate customers, SEB strengthened its position in the SME-segment from a market share of 10 to 11 per cent. With a more positive corporate sentiment, M&A activity increased in the fourth quarter and in 2010, SEB was the number one M&A house in Sweden and number 2 in the Nordic region in terms of number of transactions.

Assets under management at all time high

Our savings business has a market leading unit-linked insurance as well as Private banking offering as confirmed by the Global Private Banking Awards (*Financial Times Group*). During the year net sales increased and amounted to SEK 55bn bringing assets under management to an all time high. Customers continued to reallocate to equity based portfolios and thus benefited from the positive equity markets.

Baltic operations back in black

With the pronounced stabilisation in the Baltic economies, SEB's reserve ratios supported net releases of SEK 1bn of provisions in the last quarters. Operating profit for all three countries turned positive both before and after credit losses.

Throughout the severe economic downturn, we maintained a proactive and conservative stance in order to safeguard financial stability, asset quality and long-term customer relations. As of mid 2009, all accounting goodwill in the Baltic operations was written off. We have strived for solutions that enabled borrowers to remain in their residential homes. We are proud that despite a difficult period for the region, SEB has been ranked as the most customer-friendly bank in Estonia and as the most respected bank in Latvia by independent observers.

Flexibility and resilience

Summing up 2010, asset quality materially improved, customer activity geared up and we strategically aligned the business mix following the divestment of German Retail.
We continue to safeguard long-term stability – a hall mark for SEB and a prerequisite in the new financial landscape. This gives us the flexibility, resilience and capacity to grow our customer businesses as well as cater for the new regulatory framework in an environment that still has to address macro-economic challenges.

Going forward, we are confident that we have the desired platform to grow from. Our strategy remains unchanged. SEB is the Relationship Bank. Thus with full focus on our customers we will continue to build the leading corporate bank in the Nordics, grow our corporate business in Germany and offer full universal banking services in Sweden and the Baltic countries.

The Group

The comparative numbers in this report have been materially affected by the exceptional market circumstances of 2009. 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.

In addition, the transaction-related costs for the divestment of SEB's German retail operations impacted profitability. The restatement of SEB's historical accounts in continuing and discontinued operations aims at increased transparency on long-term financial trends.

Fourth quarter isolated

SEB's *profit before provisions for credit losses* for the fourth quarter amounted to SEK 3,856m (3,844). Adjusted for one-off items comprising capital gains, goodwill impairment and restructuring costs, profit before credit losses was up by 9 per cent compared with the corresponding quarter of 2009 and by 13 per cent from the previous quarter.

Operative income statement	**Q4**	**Q3**		**Q4**	
SEK m	**2010**	**2010**	***%***	**2009**	***%***
Total operating income	10 038	8 882	*13*	8 950	*12*
Total operating expenses	-6 173	-5 476	*13*	-5 395	*14*
Pre-provision operating profit	**3 865**	**3 406**	***13***	**3 555**	***9***
Gains less losses from tangible and intangible assets	21			- 24	*-188*
Net credit losses	419	196	*114*	-3 064	*-114*
Operating profit before one-off items	**4 305**	**3 602**	***20***	**467**	
One-offs:					
Capital gains				270	
Impairment of goodwill				19	
Restructuring costs	- 9	- 755			
Operating profit	**4 296**	**2 847**	***51***	**756**	

Operating profit amounted to SEK 4,296m (756). Foreign exchange translation effects were negligible.

*Net profit (*after tax) was SEK 3,509m (284). *Net profit from continuing operations* rose to SEK 3,592m (423).

Income

Total operating income amounted to SEK 10,038m (9,220). Adjusted for capital gains, operating income rose by 12 per cent compared with the corresponding quarter of 2009 and by 13 per cent from the previous quarter.

Net interest income at SEK 4,526m (3,332) was 36 per cent higher than in the corresponding quarter of 2009 and SEK 346m or 8 per cent up from the previous quarter. The Group's positive sensitivity to changes in short-term interest rates supported net interest income. Customer-driven net interest income was flat from the corresponding quarter last year and increased by SEK 111m from the previous quarter. During the fourth quarter, contribution from lending volumes increased while lending margins decreased; deposit volumes and margins contributed positively. Net interest income from other activities, mainly comprising the bond investment portfolio and other trading and treasury activities, increased SEK 1,184m compared with the corresponding quarter of 2009 and by SEK 234m from the previous quarter. Investments made for the purpose of managing the interest rate risk, which arose as a result of the divestment of the German retail operations, contributed SEK 150m to net interest income; SEK 50m more than the previous quarter. This temporary effect of SEK 150m will disappear in connection with the closing of the transaction.

Net fee and commission income at SEK 3,906m (3,587) rose by 9 per cent compared with the corresponding quarter of 2009 and by 15 per cent compared with the previous quarter, due to higher securities commissions as assets under management grew, as did performance fees.

Net financial income at SEK 512m (939) was affected by low market activity; however, a significant improvement in trading activities occurred towards year-end. Compared with the last quarter of 2009 and the previous quarter, net financial income was down 45 and 30 per cent respectively.

Net life insurance income decreased by 16 per cent, or SEK 152m, to SEK 780m (932), primarily due to a low result for the Danish traditional life business. In comparison with the previous quarter the decrease was 5 per cent.

Net other income at SEK 314m (430) was lower than in the last quarter of 2009. In comparison with the previous quarter, net other income rose by SEK 544m partly reflecting fluctuations from hedge accounting and more limited losses from divestments of bonds classified as Available for sale.

Expenses

Total operating expenses amounted to SEK 6,182m (5,376) including SEK 199m from write-down of systems in connection with the implementation of a new core banking system in Lithuania. Operating expenses were up by 15 per cent compared with the corresponding quarter last year as the cost for short-term incentive remuneration increased. Compared with the previous quarter, excluding costs of SEK 755m relating to the restructuring of the German continuing operations, expenses were up 13 per cent. This was mainly due to seasonal effects as activity levels picked up.

Credit losses and provisions

A net release of *provisions for credit losses* of SEK 419m reflected the continued improved asset quality in the Baltic countries. In the previous quarter the net release was SEK 196m and in the fourth quarter of 2009 there was a net provision of SEK 3,064m.

Individually assessed impaired loans decreased by SEK 918m to SEK 17,218m during the quarter, explained by the Baltic countries development, where these loans decreased SEK 1,005m, or 8 per cent. The Group's *past due portfolio assessed loans* decreased by SEK 446m during the quarter to SEK 6,534m, of which SEK 240m in the Baltic countries.

The *total reserve ratio for individually assessed impaired loans* and the *total non-performing loans coverage ratio* were marginally down because of the net release of provisions following positive risk migration and reduced non-performing loans formation on the back of continued improvement of macro-economic indicators.

The full year 2010

SEB's *profit before provisions for credit losses* for 2010 amounted to SEK 12,928m (16,377), a decrease of 21 per cent compared with 2009.

Operative income statement	**Jan - Dec**		
SEK m	**2010**	**2009**	**%**
Total operating income	36 879	40 005	-8
Total operating expenses	-23 187	-22 229	4
Pre-provision operating profit	**13 692**	**17 776**	***-23***
Gains less losses from tangible and intangible assets	14	4	
Net credit losses	-1 837	-12 030	-85
Operating profit before one-off items	**11 869**	**5 750**	***106***
One-offs:			
Capital gains		1 570	
Impairment of goodwill		-2 969	
Restructuring costs	- 764		
Operating profit	**11 105**	**4 351**	***155***

Operating profit increased to SEK 11,105m (4,351), impacted by the material decrease in credit provisioning. The foreign exchange translation effect was negative at SEK 415m.

Net profit increased to SEK 6,798m (1,178), while net profit from continuing operations rose to SEK 8,584m (1,869).

Income

Total operating income decreased by 11 per cent to SEK 36,879m (41,575). Adjusted for capital gains in 2009, operating income was 8 per cent lower. The foreign exchange translation effect lowered income by SEK 1,538m.

Net interest income decreased by SEK 2,036m, or 11 per cent, to SEK 16,010m (18,046). Customer-driven net interest income decreased by SEK 1,609m or 11 per cent due to on average lower volumes and falling deposit margins between the years. The changes in total volume and margin contributions were negative at SEK 622m and SEK 987m, respectively. As Swedish short-term rates started to increase starting mid-2010, deposit margins improved.

The net cost for the funding actions of last year subsided as excess liquidity could be managed at better returns and credit spreads on SEB's issued securities narrowed in 2010. In addition, the higher short-term rates support net interest income. Net interest income also included a cost of SEK 300m for the Swedish stability fund charges.

Net fee and commission income increased by 7 per cent, to SEK 14,160m (13,285). The increase was primarily due to increased securities commission in the asset management and custody business. Total assets under management at SEK 1,399bn have returned to pre-financial crises levels. Commissions from payments and cards and other non-capital market related business were virtually unchanged.

Net financial income decreased by 29 per cent to SEK 3,166m (4,488), partly due to lower income from the foreign exchange business because of the lower market volatility during 2010. The decrease was partially offset by increases in the equity-related financial income. Valuation effects related to the bond investment portfolio were limited.

Net life insurance income (net of internal retrocessions from fund companies) decreased by SEK 342m, or 10 per cent, to SEK 3,255m (3,597). A complete description of Life's operations, including changes in surplus values, is found in the Fact Book.

Net other income decreased to SEK 288m (2,159). Adjusted for capital gains of SEK 1.6bn in 2009 related to buy-backs of own subordinated debt, net other income decreased by SEK 301m.

Expenses

Total operating expenses amounted to SEK 23,951m (25,198). Excluding goodwill impairment charges of SEK 2,969m in the Baltic countries and Eastern Europe in 2009 and restructuring costs, total expenses rose by 4 per cent. The foreign exchange translation effect lowered costs by SEK 983m.

Staff costs increased by 2 per cent, to SEK 14,004m (13,786). Investments in the Nordic and German corporate expansion have increased the number of staff in the client organisations. The cost for short-term incentive remuneration increased to 12 (5) per cent of staff costs. Costs for long-term incentive programmes were unchanged.

The average number of employees at year-end 2010 was unchanged at about 17,300 excluding Retail Germany; including Retail Germany 19,220 (19,562) .

Other expenses rose by 8 per cent, to SEK 7,303m (6,740), mainly related to investments in the Nordic and German expansion. Depreciation costs increased by SEK 177m, adjusted for the impairment of goodwill in 2009, due to SEK 199m from write-off of systems in connection with the implementation of a new core banking system in Lithuania.

Credit losses and provisions

The Group's *credit losses* decreased to SEK 1,837m (12,030), leading to a credit loss level of 0.14 per cent (0.92).

In the Baltic division, total provisions for credit losses decreased to SEK 873m (9,573). The credit loss level in the Baltic countries was 0.63 per cent (5.43). During the year, the Baltic macro-economic stabilisation together with increased precision in identification of individually impaired exposures and potential recovery rates from collateral values, have supported releases of collective provisions.

Outside the Baltic countries, the credit loss level remained low throughout the year in SEB's core markets: in Sweden 0.04 (0.15), in the other Nordic countries 0.27 (0.42) and in Germany 0.13 (0.22).

Individually assessed impaired loans in the Group decreased to SEK 17,218m (21,324). This corresponded to a gross level of impaired loans of 1.26 per cent (1.39). The total reserve ratio for individually assessed impaired loans was virtually flat at 69 per cent. The corresponding level and reserve ratio in the Baltic countries were 9.33 per cent (9.39) and 66 per cent (65), respectively.

The Group's *past due portfolio assessed loans* (homogeneous groups) amounted to SEK 6,534m (6,937), whereof the Baltic region SEK 4,495m (4,440). In addition, SEK 502m (312) of the Baltic household loans have been restructured, i.e. part of the interest payments have been capitalised, out of the total Baltic household mortgage lending of SEK 42.1bn, i.e. approximately one per cent.

The total non-performing loans coverage ratio for the Group was 66 per cent (65).

Tax expenses

Total tax amounted to SEK 2,521m (2,482). The total tax rate for 2010 was 23 per cent (57). The main reasons for the decrease are that the credit losses in countries with low tax rates, Estonia, Latvia and Lithuania, are decreasing and the impact of non-tax deductible goodwill impairments in 2009.

Business volumes

Business volumes were materially affected by the appreciation of the Swedish krona in 2010; which was up 12 per cent to the Euro and up 6 per cent to the US dollar. While the Group's total balance sheet of SEK 2,180bn as per 31 December represented a decrease of 6 per cent since year-end 2009, adjusted for foreign exchange translation effects, total assets were up 1 per cent. Lending to and deposits from the public dropped by 10 and 11 per cent, respectively. Adjusted for foreign exchange translation effects, lending volumes were at a trough in early summer 2010 and increased during the second half of the year.

SEB's total credit exposure decreased, to SEK 1,703bn (1,816). The decrease is primarily explained by decreased interbank volumes, partially offset by an increase in Swedish household lending. The Baltic division's lending decreased by 11 per cent during the year excluding currency effects. Corporate credit demand increased towards the end of the year and the Group's committed facilities to corporates increased by 22 per cent in 2010 on a foreign exchange adjusted basis.

SEB's net positions in fixed-income securities for investment, treasury and client trading purposes amounted to SEK 278bn (262) excluding excess liquidity investments in certificates issued by the Swedish Central Bank. Asset quality in the holdings has strengthened in 2010 following a structural shift to higher quality securities. Government bonds, covered bonds and other prime quality securities have substituted corporate bonds, structured credits and unsecured financials. The prime quality securities represented 77 (62) per cent of the holdings at year-end.

As of 31 December 2010, assets under management totalled SEK 1,399bn (1,356). Net inflow during the year was SEK 55bn (47) and change in value SEK -12bn (108). Assets under custody amounted to SEK 5,072bn (4,853).

Bond investment portfolio

As per 31 December 2010 the bond investment portfolio of Merchant Banking had decreased to SEK 48bn from SEK 90bn a year earlier, in line with the plan to reduce the holdings through amortisations and limited sales. The holdings of structured credits in this portfolio amounted to SEK 30bn (47) and the holdings of covered bonds and bonds issued by financial institutions amounted to SEK 18bn (43). 81 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 is limited.

Market risk

During 2010 the Group's Value at Risk in the trading operations averaged SEK 305m. 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.

The increase in Value at Risk compared with 2009 is primarily due to increased holdings of securities held for liquidity management purposes.

More details can be found in the Fact Book.

Liquidity and long-term funding

SEB's loan-to-deposit ratio was 139 per cent, excluding repos and reclassified bond portfolios (139). SEB raised the equivalent of SEK 102bn of long-term funding during 2010. On 31 December, the matched funding of net cash inflows and outflows remained at 18 months, unchanged to year-end 2009. At year-end, SEB held assets for liquidity purposes at an amount of SEK 240bn.

Capital position

SEB has maintained stable and strong capital ratios. As of year end 2010, the core Tier 1 capital ratio was 12.2 per cent (11.7), the Tier 1 capital ratio was 14.2 per cent (13.9) and the total capital ratio was 13.8 per cent (14.7). The Group's Basel II risk-weighted assets (RWA) amounted to SEK 716bn (730).

Adjusting for the supervisory transitional rules during the first Basel II years, SEB reports RWA of SEK 800bn (795), a Tier 1 capital ratio of 12.8 per cent (12.8) and a total capital ratio of 12.4 per cent (13.5).

In order to improve quality of the capital base, capital management during 2010 focused on actions to increase the Tier 1 portion of the capital base. The end result, in combination with certain deductions made from total capital, was that Tier 1 capital was larger than the capital base. Capital adequacy details are found on pp 25-28.

Dividend

The Board proposes to the AGM a dividend of SEK 1.50 per Class A and Class C share respectively, which corresponds to 49 per cent pay-out ratio. The total dividend amounts to SEK 3,291m (2,193), calculated on the total number of issued shares as per 31 December 2010, including repurchased shares. The SEB share will be traded ex dividend on 25 March 2011. The proposed record date for the dividend is 29 March 2011 and dividend payments will be made on 1 April 2011.

The proposal shall be seen with reference to the improved outlook for the economic environment, the Group's earnings generation and capital situation.The Board's dividend policy is that the dividend per share shall, over a business cycle, correspond to around 40 per cent of earnings per share.

Mandates for acquisition and sale of SEB shares

The Board will seek authorisation from the shareholders at the AGM on 24 March 2011 for renewed acquisition and sale mandates related to the SEB share. The authorisation is aimed at creating possibilities for SEB's securities business to be a market maker in the SEB share, at creating efficient hedging arrangement for long-term incentive schemes and creating flexibility to manage SEB's capital structure. The authorisation would include the possibility to use acquired own shares as payment in connection with acquisitions of companies or businesses or in order to finance acquisitions of companies or businesses.

In total, some 220 million shares are involved in these mandates corresponding to the maximum 10 per cent of all shares that is allowed under Swedish company law. The authorisations will be valid until the AGM in 2012.

Detailed proposals will be published on 22 February when the notice to the AGM is published.

Rating

In 2010, Moody's changed its outlook for SEB from negative to stable and affirmed the long-term 'A1' rating. Standard & Poor's long-term rating of 'A' on SEB is stable. Fitch equally has a stable outlook for SEB's long-term rating at 'A+'. SEB targets a long-term AA rating.

Risks and uncertainties

The macro-economic environment is the major driver of risk to the Group's earnings and financial stability. In particular, it affects the asset quality and thereby the credit risk of the Group. (The credit portfolio is described in the Fact Book). 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 the Fact Book). 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.

Subsequent event: Divestment of German Retail

The divestment of SEB's German retail banking business to Banco Santander, as announced on 12 July, was finalised on 31 January 2011.

As communicated in July, the Group has restated its accounts to reflect the divestment. Restructuring charges of SEK 764m (EUR 80m for adjusting of infrastructure) in the continuing operations and transaction-related costs of SEK 1,240m (EUR 130m for advisory costs, IT adjustments and physical separation including redundancy) in the discontinued operations were recorded at the time of the signing of the agreement in the third quarter.

The actual financial effects at the finalisation of the divestment are in line with the estimated and communicated consequences when the agreement was signed; a capital gain amounting to EUR 135m and negative effects from unwinding of hedges amounting to EUR 245m which were booked at the finalisation of the transaction.

The divestment increased the Group's core Tier 1 capital ratio with 60 basis points. This is the net effect of the lower risk weighted assets and the EUR 110m effect on the result. There will also be an interest expense at an estimated EUR 65m impacting the result in 2011.

Stockholm, 4 February 2011

Annika Falkengren
President and Chief Executive Officer

The President declares that these Annual Accounts for 2010 provide a fair overview of the Parent Company's and Group's operations, their financial position and results and describe material risks and uncertainties facing the Parent Company and other companies in the Group.

Press conference and web cast
The press conference at 09.30 (CET) on 4 February 2011 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
The telephone conference at 15.00 (CET) on 4 February 2011 with CEO Annika Falkengren and CFO Jan Erik Back can be accessed by telephone, +44(0)20 7162 0025. Please quote conference id: 885528, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com/ir

Financial information during 2011

4 February	Annual Accounts for 2010
3 March	Annual Report on www.sebgroup.com
24 March	Annual General Meeting
3 May	Interim Report January-March 2011
14 July	Interim Report January-June 2011
27 October	Interim Report January-September 2011

SEB's Fact Book is available on www.sebgroup.com/ir.

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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) 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) from the Swedish Financial Reporting Board.

In July 2010 an agreement was signed to sell the retail banking business in Germany. The discontinued operations are reported according to IFRS 5. Assets (or disposal groups) are classified held for sale at the time when a non-current asset or group of assets (disposal group) are available for immediate sale in its present condition and its sale is deemed to be highly probable. At the time of the classification, a valuation of the asset or disposal group is made at the lower of its carrying amount and fair value, less costs to sell. Any subsequent impairment losses or revaluations are recognised directly in profit or loss. No gains are recognised in excess of accumulated impairment losses of the asset recognised previously. From the time of classification, no depreciation is made for property and equipment or intangible assets originating from discontinued operations. Assets and liabilities held for sale are reported separately in the balance sheet until they are sold. Profit and loss from discontinued operations are reported net on a separate line in the income statement. The comparative figures for the previous year in the income statement and related notes for the previous year have been adjusted as if the discontinued operations had never been part of the continuing operations.

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 are 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.

The SEB Group

Income statement – SEB Group

SEK m	Q4 2010	Q3 2010	%	Q4 2009	%	Jan - Dec 2010	Jan - Dec 2009	%
Net interest income	4 526	4 180	*8*	3 332	*36*	16 010	18 046	*-11*
Net fee and commission income	3 906	3 387	*15*	3 587	*9*	14 160	13 285	*7*
Net financial income	512	727	*-30*	939	*-45*	3 166	4 488	*-29*
Net life insurance income	780	818	*-5*	932	*-16*	3 255	3 597	*-10*
Net other income	314	- 230		430	*-27*	288	2 159	*-87*
Total operating income	**10 038**	**8 882**	***13***	**9 220**	***9***	**36 879**	**41 575**	***-11***
Staff costs	-3 558	-3 392	*5*	-2 785	*28*	-14 004	-13 786	*2*
Other expenses	-1 965	-1 679	*17*	-2 128	*-8*	-7 303	-6 740	*8*
Depreciation, amortisation and impairment of tangible and intangible assets	- 650	- 405	*60*	- 463	*40*	-1 880	-4 672	*-60*
Restructuring costs	- 9	- 755	*-99*			- 764		
Total operating expenses	**-6 182**	**-6 231**	***-1***	**-5 376**	***15***	**-23 951**	**-25 198**	***-5***
Profit before credit losses	**3 856**	**2 651**	***45***	**3 844**	***0***	**12 928**	**16 377**	***-21***
Gains less losses on disposals of tangible and intangible assets	21			- 24		14	4	
Net credit losses	419	196	*114*	-3 064	*-114*	-1 837	-12 030	*-85*
Operating profit	**4 296**	**2 847**	***51***	**756**		**11 105**	**4 351**	***155***
Income tax expense	- 704	- 765	*-8*	- 333	*111*	-2 521	-2 482	*2*
Net profit from continuing operations	**3 592**	**2 082**	***73***	**423**		**8 584**	**1 869**	
Discontinued operations	- 83	-1 486	*-94*	- 139	*-40*	-1 786	- 691	*158*
Net profit	**3 509**	**596**		**284**		**6 798**	**1 178**	
Attributable to minority interests	6	15	*-60*	27	*-78*	53	64	*-17*
Attributable to equity holders	3 503	581		257		6 745	1 114	
Continuing operations								
Basic earnings per share, SEK	1.64	0.94		0.18		3.88	0.95	
Diluted earnings per share, SEK	1.62	0.94		0.18		3.87	0.94	
Total operations								
Basic earnings per share, SEK	1.60	0.26		0.12		3.07	0.58	
Diluted earnings per share, SEK	1.58	0.26		0.12		3.06	0.58	

Statement of comprehensive income

SEK m	Q4 2010	Q3 2010	%	Q4 2009	%	Jan - Dec 2010	Jan - Dec 2009	%
Net profit	**3 509**	**596**		**284**		**6 798**	**1 178**	
Available-for-sale financial assets	- 377	163		214		- 629	1 966	*-132*
Cash flow hedges	- 731	- 122		- 18		-1 215	- 974	*25*
Translation of foreign operations	215	- 571	*-138*	244	*-12*	- 733	- 187	
Deferred taxes on translation effects	- 186	- 496	*-63*	- 70	*166*	-1 574	- 807	*95*
Other	- 61	92	*-166*	28		100	58	*72*
Other comprehensive income (net of tax)	**- 1 140**	**- 934**	***22***	**398**		**- 4 051**	**56**	
Total comprehensive income	**2 369**	**- 338**		**682**		**2 747**	**1 234**	**123**
Attributable to minority interests	- 3	4	*-175*	16	*-119*	14	60	*-77*
Attributable to equity holders	2 372	- 342		666		2 733	1 174	*133*

Key figures – SEB Group

	Q4	Q3	Q4	Jan - Dec	
	2010	2010	2009	2010	2009
Continuing operations					
Return on equity, continuing operations, %	14.62	8.48	1.60	8.65	1.89
Basic earnings per share, continuing operations, SEK	1.64	0.94	0.18	3.88	0.95
Diluted earnings per share, continuing operations, SEK	1.62	0.94	0.18	3.87	0.94
Cost/income ratio, continuing operations	0.62	0.70	0.58	0.65	0.61
Number of full time equivalents, continuing operations*	17,347	17,133	17,331	17,104	17,970
Loans to deposits ratio, excl repos and reclassified bonds, %	139	138	139	139	139
Total operations					
Return on equity, %	14.28	2.38	1.04	6.84	1.17
Return on total assets, %	0.63	0.10	0.05	0.30	0.05
Return on risk-weighted assets, %	1.73	0.28	0.13	0.83	0.13
Basic earnings per share, SEK	1.60	0.26	0.12	3.07	0.58
Weighted average number of shares, millions**	2,194	2,194	2,194	2,194	1,906
Diluted earnings per share, SEK	1.58	0.26	0.12	3.06	0.58
Weighted average number of diluted shares, millions***	2,212	2,207	2,201	2,202	1,911
Net worth per share, SEK	50.34	49.02	50.17	50.34	50.17
Average equity, SEK, billion	98.4	98.4	99.3	98.9	95.4
Credit loss level, %	-0.07	-0.02	0.93	0.14	0.92
Total reserve ratio individually assessed impaired loans, %	69.2	73.2	69.5	69.2	69.5
Net level of impaired loans, %	0.62	0.62	0.72	0.62	0.72
Gross level of impaired loans, %	1.26	1.29	1.39	1.26	1.39
Basel II (Legal reporting with transitional floor) :****					
Risk-weighted assets, SEK billion	800	797	795	800	795
Core Tier 1 capital ratio, %	10.93	10.80	10.74	10.93	10.74
Tier 1 capital ratio, %	12.75	12.65	12.78	12.75	12.78
Total capital ratio, %	12.40	12.73	13.50	12.40	13.50
Basel II (without transitional floor):					
Risk-weighted assets, SEK billion	716	711	730	716	730
Core Tier 1 capital ratio, %	12.20	12.11	11.69	12.20	11.69
Tier 1 capital ratio, %	14.24	14.18	13.91	14.24	13.91
Total capital ratio, %	13.85	14.27	14.69	13.85	14.69
Basel I:					
Risk-weighted assets, SEK billion	998	984	1 003	998	1 003
Core Tier 1 capital ratio, %	8.75	8.75	8.51	8.75	8.51
Tier 1 capital ratio, %	10.22	10.25	10.13	10.22	10.13
Total capital ratio, %	9.93	10.31	10.70	9.93	10.70
Number of full time equivalents*	19,220	19,150	19,562	19,125	20,233
Assets under custody, SEK billion	5,072	4,879	4,853	5,072	4,853
Assets under management, SEK billion	1,399	1,343	1,356	1,399	1,356
Discontinued operations					
Basic earnings per share, discontinued operations, SEK	-0.04	-0.68	-0.06	-0.81	-0.36
Diluted earnings per share, discontinued operations, SEK	-0.04	-0.67	-0.06	-0.81	-0.36

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

** 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 SEB has repurchased 600,000 shares and 1,142,795 have been sold as employee stock options have been exercised. Thus, as at 31 December 2010 SEB owned 267,360 Class A-shares with a market value of SEK 15m.

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

**** 80 per cent of RWA in Basel I

Income statement on quarterly basis - SEB Group

	Q4	Q3	Q2	Q1	Q4
SEK m	**2010**	**2010**	**2010**	**2010**	**2009**
Net interest income	4 526	4 180	3 762	3 542	3 332
Net fee and commission income	3 906	3 387	3 673	3 194	3 587
Net financial income	512	727	977	950	939
Net life insurance income	780	818	778	879	932
Net other income	314	- 230	34	170	430
Total operating income	**10 038**	**8 882**	**9 224**	**8 735**	**9 220**
Staff costs	-3 558	-3 392	-3 616	-3 438	-2 785
Other expenses	-1 965	-1 679	-1 875	-1 784	-2 128
Depreciation, amortisation and impairment of tangible and intangible assets	- 650	- 405	- 416	- 409	- 463
Restructuring costs	- 9	- 755			
Total operating expenses	**-6 182**	**-6 231**	**-5 907**	**-5 631**	**-5 376**
Profit before credit losses	**3 856**	**2 651**	**3 317**	**3 104**	**3 844**
Gains less losses on disposals of tangible and intangible assets	21		- 3	- 4	- 24
Net credit losses	419	196	- 639	-1 813	-3 064
Operating profit	**4 296**	**2 847**	**2 675**	**1 287**	**756**
Income tax expense	- 704	- 765	- 600	- 452	- 333
Net profit from continuing operations	**3 592**	**2 082**	**2 075**	**835**	**423**
Discontinued operations	- 83	-1 486	- 71	- 146	- 139
Net profit	**3 509**	**596**	**2 004**	**689**	**284**
Attributable to minority interests	6	15	17	15	27
Attributable to equity holders	3 503	581	1 987	674	257
Continuing operations					
Basic earnings per share, SEK	1.64	0.94	0.94	0.37	0.18
Diluted earnings per share, SEK	1.62	0.94	0.94	0.37	0.18
Total operations					
Basic earnings per share, SEK	1.60	0.26	0.91	0.31	0.12
Diluted earnings per share, SEK	1.58	0.26	0.90	0.31	0.12

Income statement, by Division – SEB Group

Jan-Dec 2010, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Baltic	Other incl eliminations	SEB Group
Net interest income	8 123	5 008	485	- 11	1 869	536	16 010
Net fee and commission income	5 308	3 241	3 752		877	982	14 160
Net financial income	3 745	273	89		63	-1 004	3 166
Net life insurance income				4 550		-1 295	3 255
Net other income	- 46	47	58		37	192	288
Total operating income	**17 130**	**8 569**	**4 384**	**4 539**	**2 846**	**- 589**	**36 879**
Staff costs	-4 091	-2 636	-1 319	-1 123	- 640	-4 195	-14 004
Other expenses	-4 205	-2 821	-1 333	- 524	-1 158	2 738	-7 303
Depreciation, amortisation and impairment of tangible and intangible assets	- 169	- 84	- 84	- 690	- 291	- 562	-1 880
Restructuring costs						- 764	- 764
Total operating expenses	**-8 465**	**-5 541**	**-2 736**	**-2 337**	**-2 089**	**-2 783**	**-23 951**
Profit before credit losses	**8 665**	**3 028**	**1 648**	**2 202**	**757**	**-3 372**	**12 928**
Gains less losses on disposals of tangible and intangible assets	28	- 1			- 5	- 8	14
Net credit losses	- 195	- 543	3		- 873	- 229	-1 837
Operating profit	**8 498**	**2 484**	**1 651**	**2 202**	**- 121**	**-3 609**	**11 105**

* Business result in Life amounted to SEK 3,367m (3,015), of which change in surplus values was net SEK 1,165m (900).

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	**2010**	**2010**	%	**2009**	%	**2010**	**2009**	%
Net interest income	2 133	2 012	*6*	1 978	*8*	8 123	9 982	*- 19*
Net fee and commission income	1 515	1 290	*17*	1 531	*- 1*	5 308	5 647	*- 6*
Net financial income	655	753	*- 13*	712	*- 8*	3 745	4 377	*- 14*
Net other income	66	- 159		- 101		- 46	46	
Total operating income	**4 369**	**3 896**	***12***	**4 120**	***6***	**17 130**	**20 052**	***- 15***
Staff costs	-1 114	- 875	*27*	- 556	*100*	-4 091	-3 529	*16*
Other expenses	-1 120	- 954	*17*	-1 025	*9*	-4 205	-4 134	*2*
Depreciation, amortisation and impairment of tangible and intangible assets	- 62	- 41	*51*	- 61	*2*	- 169	- 155	*9*
Total operating expenses	**-2 296**	**-1 870**	***23***	**-1 642**	***40***	**-8 465**	**-7 818**	***8***
Profit before credit losses	**2 073**	**2 026**	***2***	**2 478**	***- 16***	**8 665**	**12 234**	***- 29***
Gains less losses on disposals of tangible and intangible assets	29	- 1		- 1		28	- 1	
Net credit losses	- 99	- 23		- 52	*90*	- 195	- 805	*- 76*
Operating profit	**2 003**	**2 002**		**2 425**	***- 17***	**8 498**	**11 428**	***- 26***
Cost/Income ratio	0,53	0,48		0,40		0,49	0,39	
Business equity, SEK bn	27,5	27,7		35,1		28,2	35,1	
Return on equity, %	21,0	20,8		19,9		21,7	23,4	
Number of full time equivalents	2 591	2 571		2 539		2 548	2 630	

- Gradual improvement of income and profit during the year
- Strong asset quality and lower credit losses
- Leadership in investment banking and other core business segments confirmed

Comments on 2010

A gradual improvement in market sentiment and customer activity, further supported by higher interest rates, fuelled income in the fourth quarter of 2010. SEB continued as an active partner, supporting clients financially and with advice in periods of market uncertainty. As confirmed by the latest customer surveys, the enhanced relationships formed during this period have provided a strong platform for growth across the Nordic region and Germany.

Operating income for the full year decreased compared with 2009 reflecting the return of a more normal market environment. Operating expenses for 2010 were up 8 per cent compared with 2009 and were mainly related to the growth outside Sweden. Operating profit amounted to SEK 8,498m, a decrease year-on-year. Asset quality remained strong.

M&A activity increased in 2010 and accelerated towards year-end. SEB Enskilda confirmed the strong franchise throughout the Nordic region by advising e.g. Assa Abloy, Aalborg Industries, Hexagon, Intrum Justitia and TDC, in their successful transactions during the year. *Corporate Banking* finished 2010 with a solid fourth quarter, especially within Structured Finance. The higher M&A activity had a positive effect on the demand for corporate borrowing combined with an increasing need for refinancing of existing facilities, and further supported by inflow of new customers. Net interest income grew in the second half of the year following higher activity levels and was particularly visible in *Corporate Banking* and *Global Transaction Services.* At year-end, assets under custody were SEK 5,072bn (4,853 at year-end 2009).

Corporate bond issuance almost came back to pre-crisis levels towards the end of 2010, and SEB was the leading arranger of Scandinavian domestic bonds in 2010. Income generation in *Trading and Capital Markets,* notably within foreign exchange and capital markets proved resilient during the year. Despite improved sentiment, stock market volumes were cyclically low throughout 2010 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 as the number one Equity house in the region.

Growth investments in the other Nordic countries and in Germany started in 2010 and will accelerate further.

Retail Banking

The Retail Banking division consists of two business areas - Sweden and Card.

Income statement

	Q4	Q3		Q4		Jan- Dec		
SEK m	**2010**	**2010**	%	**2009**	%	**2010**	**2009**	%
Net interest income	1 332	1 263	*5*	1 278	*4*	5 008	5 424	*- 8*
Net fee and commission income	849	774	*10*	862	*- 2*	3 241	3 254	*0*
Net financial income	74	58	*28*	84	*- 12*	273	292	*- 7*
Net other income	12	14	*- 14*	18	*- 33*	47	64	*- 27*
Total operating income	**2 267**	**2 109**	***7***	**2 242**	***1***	**8 569**	**9 034**	***- 5***
Staff costs	- 643	- 683	*- 6*	- 571	*13*	-2 636	-2 542	*4*
Other expenses	- 789	- 660	*20*	- 665	*19*	-2 821	-2 668	*6*
Depreciation, amortisation and impairment of tangible and intangible assets	- 21	- 21	*0*	- 22	*- 5*	- 84	- 93	*- 10*
Total operating expenses	**-1 453**	**-1 364**	***7***	**-1 258**	***16***	**-5 541**	**-5 303**	***4***
Profit before credit losses	**814**	**745**	***9***	**984**	***- 17***	**3 028**	**3 731**	***- 19***
Gains less losses on disposals of tangible and intangible assets		- 1				- 1		
Net credit losses	- 144	- 56	*157*	- 223	*- 35*	- 543	- 840	*- 35*
Operating profit	**670**	**688**	***- 3***	**761**	***- 12***	**2 484**	**2 891**	***- 14***
Cost/Income ratio	0,64	0,65		0,56		0,65	0,59	
Business equity, SEK bn	9,8	9,8		10,8		9,7	10,8	
Return on equity, %	20,3	20,9		20,9		18,9	19,8	
Number of full time equivalents	3 437	3 420		3 313		3 395	3 385	

- Recovery of deposit margins support net interest income
- Increased corporate lending and deposit volumes
- Continued Nordic corporate card leadership

Retail Germany is not included in the Retail Banking division in this report since it has been divested. The divisional figures have been restated in order to make comparisons possible.

Comments on 2010

2010 represented a year of stabilisation. Business activity was high and the underlying development was positive. Operating profit for 2010 decreased to SEK 2,484m (2,891), mostly related to the decrease in net interest income.

Net interest income in 2010 decreased to SEK 5,008m (5,424) as short-term interest rates remained low during the major part of the year and put pressure on deposit margins. Lending margins as well as loans and deposit volumes increased during the year. Provisions for credit losses decreased to SEK 543m (840). Annual operating expenses grew by 4 per cent, following recruitment of corporate advisors in the branch-office network. Investments were also made in mobile- and internetbanking aiming at improving core banking services to enhance customer service levels.

Retail Sweden's operating profit for 2010 reached SEK 1,501m (1,878). Household mortgage volumes grew in line with the market and reached SEK 265bn (241), but growth subsided towards year-end and credit policy has been tightened in 2010. Household mortgage margins, measured towards the funding cost including a liquidity premium which SEB is the only Swedish bank to publish, were stable. 2010 saw strong inflow of deposits which increased by SEK 17bn to a total of SEK 175bn.

In order to develop long and close relationships with customers and becoming their preferred business partner, the client interface has been strengthened and packaged solutions including insurance, banking and advisory services created.

SEB strengthened its position in the corporate market as reflected in SEB's ranking as the Swedish business bank of the year 2010 by Finansbarometern and by increased corporate lending by 18 per cent. In the small and medium-sized enterprise market, the market share rose from 10 to 11 per cent. Average corporate lending margins increased during the year.

The Card business operating profit amounted to SEK 983m (1,012), even though the travel and co-branding business were negatively affected by the volcanic ash clouds during the spring. The trend of decreasing average purchase amounts continued which put further pressure on process and resource efficiency.

Wealth Management

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

Income statement

	Q4	Q3		Q4		Jan- Dec		
SEK m	**2010**	**2010**	%	**2009**	%	**2010**	**2009**	%
Net interest income	136	118	*15*	116	*17*	485	598	*- 19*
Net fee and commission income	1 115	830	*34*	853	*31*	3 752	2 955	*27*
Net financial income	30	17	*76*	23	*30*	89	76	*17*
Net other income	4	7	*- 43*	3	*33*	58	17	
Total operating income	**1 285**	**972**	***32***	**995**	***29***	**4 384**	**3 646**	***20***
Staff costs	- 350	- 311	*13*	- 250	*40*	-1 319	-1 229	*7*
Other expenses	- 372	- 320	*16*	- 310	*20*	-1 333	-1 160	*15*
Depreciation, amortisation and impairment of tangible and intangible assets	- 23	- 20	*15*	- 24	*- 4*	- 84	- 116	*- 28*
Total operating expenses	**- 745**	**- 651**	***14***	**- 584**	***28***	**-2 736**	**-2 505**	***9***
Profit before credit losses	**540**	**321**	***68***	**411**	***31***	**1 648**	**1 141**	***44***
Gains less losses on disposals of tangible and intangible assets				- 1			29	
Net credit losses	7	- 1		- 8		3	- 28	
Operating profit	**547**	**320**	***71***	**402**	***36***	**1 651**	**1 142**	***45***
Cost/Income ratio	0,58	0,67		0,59		0,62	0,69	
Business equity, SEK bn	5,3	5,2		5,5		5,3	5,5	
Return on equity, %	29,8	17,6		21,1		22,5	14,9	
Number of full time equivalents	1 030	996		1 000		986	1 016	

- Continued growth of assets under management
- High net sales with many new customers and mandates
- Strong demand for broader investment solutions and a holistic client offering

Comments on 2010

With a strong focus on enhancing the client experience, customer activity within both Private Banking and Institutional Clients has been high during 2010. Net sales have increased during 2010 for Private Banking, to SEK 26bn (17), and remained on a high level for Institutional Clients at SEK 31bn (31)

SEB's holistic client offering to private individuals and entrepreneurs has been developed further. SEB's Family Office has broken new ground with an improved adapted investment and accounting process. A new application for iPhone and iPad containing stock price, equity research and news has been launched. Customers were given the opportunity to invest in a number of SEB index products as well as other third-party products as complement to SEB's own offering. The international offering has been further strengthened by the possibility to open an account in the Chinese currency Yuan. SEB won the prestigious Global Private Banking Awards (*Financial Times Group*) as the best private bank in the Nordic region.

SEB's broad offering and approach towards the institutional clients continued to gain momentum. During the year an increasing number of new mandates were included in assets under management. The expansion outside SEB's home markets continued to yield results with a volume of close to SEK 20bn. Inflows derived from a number of mutual fund product areas.

Operating income increased by 20 per cent compared with last year. Performance and transactions fees reached SEK 409m (383), mainly in the fourth quarter. Base commissions increased due to SEB's asset mix and net sales. Operating expenses were up 9 per cent from last year, mainly as a result of higher activity and investment level.

Average assets under management improved by 7 per cent compared with last year. The improvement was due to the strong net sales of SEK 54bn (41) and the market development. Brokerage income remained strong during the year at SEK 307m (310).

Life

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

Income statement

	Q4	Q3		Q4		Jan- Dec		
SEK m	**2010**	**2010**	%	**2009**	%	**2010**	**2009**	%
Net interest income	- 5	- 2	*150*	- 1		- 11	- 18	*- 39*
Net life insurance income	1 106	1 143	*- 3*	1 145	*- 3*	4 550	4 443	*2*
Total operating income	**1 101**	**1 141**	***- 4***	**1 144**	***- 4***	**4 539**	**4 425**	***3***
Staff costs	- 278	- 276	*1*	- 263	*6*	-1 123	-1 107	*1*
Other expenses	- 125	- 133	*- 6*	- 144	*- 13*	- 524	- 536	*- 2*
Depreciation, amortisation and impairment of tangible and intangible assets	- 176	- 169	*4*	- 167	*5*	- 690	- 667	*3*
Total operating expenses	**- 579**	**- 578**	***0***	**- 574**	***1***	**-2 337**	**-2 310**	***1***
Operating profit	**522**	**563**	***- 7***	**570**	***- 8***	**2 202**	**2 115**	***4***
Change in surplus values, net	345	400	*- 14*	170	*103*	1 165	900	*29*
Business result	**867**	**963**	***- 10***	**740**	***17***	**3 367**	**3 015**	***12***

Cost/Income ratio	0,53	0,51		0,50		0,51	0,52	
Business equity, SEK bn	6,0	6,0		6,8		6,0	6,8	
Return on equity, %								
based on operating profit	30,6	33,0		29,5		32,3	27,4	
based on business result	50,9	56,5		38,3		49,4	39,0	
Number of full time equivalents	1 226	1 200		1 173		1 190	1 191	

- Operating profit increased by 4 per cent, a further improvement on a strong 2009
- Total fund value increased by 15 per cent during the year
- High premium inflow confirms customer confidence

Comments on 2010

Several customer activities were launched in 2010. Improved availability at customer service centres, increased advisory service and enhanced product offerings have been in focus - all in order to strengthen long-term relationships with customers.

In Sweden, increased focus on guiding and advising clients from the age of 55 and up has been well received. Furthermore, the ongoing efforts to ensure a high quality fund offering include a launch of additional Strategy funds. In Denmark, SEB Pension was ranked number one in the customer survey conducted by Aalunds.

The continued high premium inflow confirmed that the initiatives were well received by the customers. Total premium income in 2010 increased by 4 per cent in local currencies and amounted to SEK 30.5bn. Continued focus on unit-linked has led to moderate risk exposure, high capital efficiency and increased return on business equity.

Operating profit increased by 4 per cent compared with 2009. Excluding the effect of recovered guarantee provisions in traditional portfolios, income rose by 8 per cent and operating profit by 16 per cent, mainly related to higher income from unit-linked products. Recovered guarantee provisions amounted to SEK 76m compared with SEK 286m last year. The remaining guarantee provisions amounted to SEK 29m in total. Unit-linked income continued to improve as a result of positive market trends and higher risk appetite among policyholders, selecting more advanced and equity related alternatives. The total fund value increased by 15 per cent to SEK 179bn compared with SEK 156bn in 2009. The result for other product areas also developed favourably, but the higher claims in sick and disability portfolios negatively impacted the Danish traditional life business towards year-end.

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

Unit-linked insurance remains the major product group, representing 85 per cent (80) of total sales. The share of corporate paid policies increased to 65 per cent (61). Sales in the Baltic countries have increased by 9 per cent compared with 2009.

Total assets under management (net assets) amounted to SEK 424bn, which was an increase of 6 per cent from a year ago.

Baltic

The Baltic division encompasses the retail and all lending operations in Estonia, Latvia and Lithuania. In the Fact Book the full Baltic geographical segmentation is reported including the operations in Merchant Banking, Wealth Management and Life.

Income statement

	Q4	Q3		Q4		Jan- Dec		
SEK m	**2010**	**2010**	*%*	**2009**	*%*	**2010**	**2009**	*%*
Net interest income	481	442	*9*	522	*- 8*	1 869	2 679	*- 30*
Net fee and commission income	213	229	*- 7*	221	*- 4*	877	934	*- 6*
Net financial income	- 7	8		31		63	126	*- 50*
Net other income	10	21	*- 52*	57	*- 82*	37	55	*- 33*
Total operating income	**697**	**700**	***0***	**831**	***- 16***	**2 846**	**3 794**	***- 25***
Staff costs	- 145	- 155	*- 6*	- 137	*6*	- 640	- 730	*- 12*
Other expenses	- 283	- 286	*- 1*	- 464	*- 39*	-1 158	-1 452	*- 20*
Depreciation, amortisation and impairment of tangible and intangible assets	- 234	- 18		- 21		- 291	-2 389	*- 88*
Total operating expenses	**- 662**	**- 459**	***44***	**- 622**	***6***	**-2 089**	**-4 571**	***- 54***
Profit before credit losses	**35**	**241**	***- 85***	**209**	***- 83***	**757**	**- 777**	***- 197***
Gains less losses on disposals of tangible and intangible assets	- 4			- 16	*- 75*	- 5	- 17	*- 71*
Net credit losses	736	273	*170*	-2 584		- 873	-9 569	*- 91*
Operating profit	**767**	**514**	***49***	**-2 391**	***- 132***	**- 121**	**-10 363**	***- 99***
Cost/Income ratio	0,95	0,66		0,75		0,73	1,20	
Business equity, SEK bn	11,8	11,8		11,8		11,8	11,8	
Return on equity, %	23,4	15,2		negative		negative	negative	
Number of full time equivalents	2 966	2 959		3 093		2 958	3 275	

- Baltic business back in black as of the third quarter
- Significant asset quality improvements
- Unchanged reserve ratio

Comments on 2010

The economic recovery in the Baltic region that commenced in early 2010 continued throughout the year. Although unemployment remains high throughout the region, it has started to decrease in Estonia. Estonia and Lithuania are now displaying positive GDP growth on a year-on-year basis, while the GDP in Latvia is unchanged.

As of 1 January 2011, Estonia changed its currency from the Estonian kroon to the Euro.

The focus on strengthening long-term relationships in the region continued and SEB won a host of customer awards across the Baltic countries in 2010. In Latvia and Lithuania, SEB was ranked as the best foreign exchange provider. In Estonia, SEB was voted best bank for customer satisfaction and ranked as number one for customer service in a survey of service companies across all sectors.

Operating income for the year decreased to SEK 2,846m (3,794), in part due to the strengthening of the Swedish krona during the year which decreased operating income with SEK 323m. Deposit margins also remained at low levels due to the ongoing low interest rate environment. Throughout 2010, the levels of deposit volumes and loan volumes stabilised in the three Baltic countries, and loan margins have started to increase in recent months.

Operating expenses for the year of SEK 2,089m (4,571) reflects the goodwill write-off of SEK 2.3bn in the second quarter 2009. The fourth quarter temporary increase included SEK 199m from write-off of systems in connection with the implementation of a new core banking system in Lithuania.

Operating profit for the year was SEK -121m (-10,363). The improvement was due to significantly lower provisions for credit losses, including write-backs of SEK 273m in the third quarter and SEK 736m in the fourth quarter. Non-performing loans stabilised during the year in all three countries. The total reserve ratio was stable at 66 per cent.

At the end of December, SEB's leasing portfolio amounted to SEK 11.1bn. The average recovery rate on repossessed vehicles was approximately 60 per cent.

As at 31 December 2010, SEB's real estate holding companies in the three Baltic countries had acquired assets with a total volume of SEK 399m. SEB's Baltic real estate lending amounted to SEK 22bn, of which 39 per cent was impaired as of 31 December 2010.

Result by geography 2010

As the Relationship bank, SEB offers universal financial advice and a wide range of financial services in Sweden and the Baltic countries. In Denmark, Finland, Norway and Germany, the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB's business is reflected in its presence in some 20 countries worldwide.

- Nordic business generated 75 per cent of operating income in 2010
- Progress of Nordic and German expansion according to plan
- Improved asset quality, especially in the Baltic countries on the back of a fast macro-economic recovery

Comments on 2010

In *Sweden*, which accounts for 56 per cent of SEB's operating income, corporate activity in general remained subdued but started to show signs of improvement towards year-end. Even though the wealth management and life insurance activities were strong during the year the operating profit overall decreased by 11 per cent.

SEB in *Denmark* has combined the strong performance within investment banking with investments in corporate relationships which has resulted in new corporate clients and higher business volumes. Both Life and Wealth Management had a strong year with high client activity and the best operating profit ever in local currency.

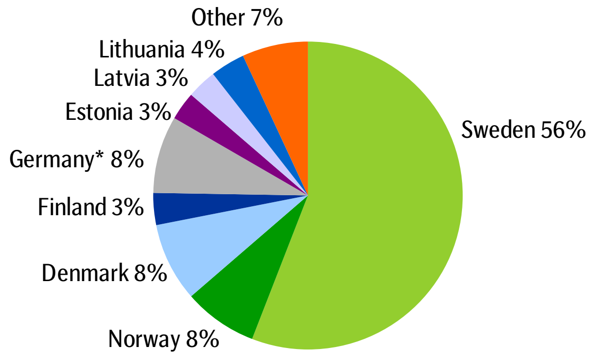
In *Finland*, SEB's growth focus has been successful and the 2010 operating profit in local currency increased by 25 per cent. Merchant Banking has continued the transformation from an advanced product provider to a comprehensive, long-term core relationship bank in the Finnish market. Wealth Management increased sales, operating profit and client activity compared to last year.

In *Norway*, the financial markets quickly improved and risk appetite and capital resources returned. In general, business activity was lower than in 2009, but activity levels increased during the last quarter and SEB participated in a majority of the local corporate transactions.

In *Estonia*, *Latvia* and *Lithuania*, the operating profit has improved significantly following economic stabilisation (see Baltic division, page 16).

Share of total operating income

Jan – Dec 2010



In *Germany* the last quarter of the year was very strong both within Merchant Banking - increased inflow of new clients and Wealth Management - significant transactions resulting in transaction fees and inflows. The growth strategy is paying off and the intensified corporate focus has been well received among customers. The sale of Retail Banking resulted in a decrease of the share of total operating income from 13 to 8 per cent over the year. The operating profit for the continuing operations increased by 20 per cent excluding the one time charge of SEK 764m for restructuring costs.

Distribution by country Jan - Dec	Total operating income			Total operating expenses			Operating profit		
SEK m	**2010**	**2009**	***%***	**2010**	**2009**	***%***	**2010**	**2009**	***%***
Sweden	20 618	23 096	*-11*	-14 297	-15 201	*-6*	5 993	6 760	*-11*
Norway	2 845	3 649	*-22*	-1 315	-1 307	*1*	1 387	2 125	*-35*
Denmark	3 020	3 136	*-4*	-1 606	-1 543	*4*	1 298	1 412	*-8*
Finland	1 272	1 193	*7*	- 592	- 574	*3*	664	592	*12*
Germany*	2 958	3 119	*-5*	-2 697	-2 062	*31*	145	747	*-81*
Estonia	1 187	1 420	*-16*	- 632	-1 075	*-41*	469	- 850	
Latvia	1 066	1 669	*-36*	- 601	- 765	*-21*	99	-2 225	
Lithuania	1 380	1 681	*-18*	-1 066	-1 621	*-34*	- 112	-5 207	*-98*
Other countries and eliminations	2 533	2 612	*-3*	-1 145	-1 050	*9*	1 162	997	*17*
Total	**36 879**	**41 575**	***-11***	**-23 951**	**-25 198**	***-5***	**11 105**	**4 351**	***155***

*Excluding centralised Treasury operations

Write-off of systems related to core banking implementation in Lithuania affected 2010 by SEK 199m. Restructuring costs in Germany amounted to SEK 764m in 2010.
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 2009.

The SEB Group

Net interest income – SEB Group

	Q4	Q3		Q4		Jan - Dec		
SEK m	**2010**	**2010**	**%**	**2009**	**%**	**2010**	**2009**	**%**
Interest income	11 653	11 744	*- 1*	11 529	*1*	46 041	58 104	*- 21*
Interest expense	-7 127	-7 564	*- 6*	-8 197	*- 13*	-30 031	-40 058	*- 25*
Net interest income	**4 526**	**4 180**	***8***	**3 332**	***36***	**16 010**	**18 046**	***- 11***

Net fee and commission income – SEB Group

	Q4	Q3		Q4		Jan - Dec		
SEK m	**2010**	**2010**	**%**	**2009**	**%**	**2010**	**2009**	**%**
Issue of securities	168	20		199	*- 16*	357	501	*- 29*
Secondary market	546	374	*46*	519	*5*	1 765	2 174	*- 19*
Custody and mutual funds	1 920	1 675	*15*	1 560	*23*	7 067	5 656	*25*
Securities commissions	**2 634**	**2 069**	***27***	**2 278**	***16***	**9 189**	**8 331**	***10***
Payments	372	387	*- 4*	415	*- 10*	1 561	1 633	*- 4*
Card fees	944	1 021	*- 8*	1 068	*- 12*	3 992	4 203	*- 5*
Payment commissions	**1 316**	**1 408**	***- 7***	**1 483**	***- 11***	**5 553**	**5 836**	***- 5***
Advisory	137	185	*- 26*	215	*- 36*	482	650	*- 26*
Lending	462	440	*5*	351	*32*	1 686	1 393	*21*
Deposits	26	25	*4*	26		103	108	*- 5*
Guarantees	105	103	*2*	105		428	413	*4*
Derivatives	117	110	*6*	114	*3*	518	556	*- 7*
Other	178	179	*- 1*	201	*- 11*	712	708	*1*
Other commissions	1 025	1 042	*- 2*	1 012	*1*	3 929	3 828	*3*
Fee and commission income	**4 975**	**4 519**	***10***	**4 773**	***4***	**18 671**	**17 995**	***4***
Securities commissions	- 341	- 288	*18*	- 194	*76*	-1 216	- 844	*44*
Payment commissions	- 450	- 599	*- 25*	- 601	*- 25*	-2 245	-2 413	*- 7*
Other commissions	- 278	- 245	*13*	- 391	*- 29*	-1 050	-1 453	*- 28*
Fee and commission expense	**-1 069**	**-1 132**	***- 6***	**-1 186**	***- 10***	**-4 511**	**-4 710**	***- 4***
Securities commissions, net	2 293	1 781	*29*	2 084	*10*	7 973	7 487	*6*
Payment commissions, net	866	809	*7*	882	*- 2*	3 308	3 423	*- 3*
Other commissions, net	747	797	*- 6*	621	*20*	2 879	2 375	*21*
Net fee and commission income	**3 906**	**3 387**	***15***	**3 587**	***9***	**14 160**	**13 285**	***7***

Net financial income – SEB Group

	Q4	Q3		Q4		Jan - Dec		
SEK m	**2010**	**2010**	**%**	**2009**	**%**	**2010**	**2009**	**%**
Equity instruments and related derivatives	- 31	188	*-116*	47	*- 166*	629	- 64	
Debt instruments and related derivatives	- 70	17		210		479	803	*-40*
Currency related	605	500	*21*	684	*- 12*	2 106	3 911	*-46*
Other financial instruments	4	20	*-80*	7		12	- 4	
Impairments	4	2	*100*	- 9		- 60	- 158	*-62*
Net financial income	**512**	**727**	***-30***	**939**	***- 45***	**3 166**	**4 488**	***-29***

Net credit losses – SEB Group

SEK m	Q4 2010	Q3 2010	%	Q4 2009	%	Jan - Dec 2010	Jan - Dec 2009	%
Provisions:								
Net collective provisions for individually assessed loans	782	407	*92*	580		665	-1 836	*-136*
Net collective provisions for portfolio assessed loans	- 13	- 89	*-85*	- 451	*-97*	- 701	-1 962	*-64*
Specific provisions	- 431	- 338	*28*	-2 416	*-82*	-2 405	-6 685	*-64*
Reversal of specific provisions no longer required	479	350	*37*	84		1 503	491	
Net provisions for off-balance sheet items	16	- 2		- 123	*-113*	- 14	- 224	*-94*
Net provisions	**833**	**328**	***154***	**-2 326**	***-136***	**- 952**	**-10 216**	***-91***
Write-offs:								
Total write-offs	- 833	- 679	*23*	-1 100	*-24*	-2 310	-2 616	*-12*
Reversal of specific provisions utilized for write-offs	394	518	*-24*	328	*20*	1 315	688	*91*
Write-offs not previously provided for	- 439	- 161		- 772		- 995	-1 928	*-48*
Recovered from previous write-offs	25	29	*-14*	34	*-26*	110	114	*-4*
Net write-offs	**- 414**	**- 132**		**- 738**		**- 885**	**-1 814**	***-51***
Net credit losses	**419**	**196**		**-3 064**		**-1 837**	**-12 030**	***-85***

Staff costs – SEB Group

SEK m	Jan - Dec 2010	Jan - Dec 2009	%
Salaries*	-10 233	-10 327	*-1*
Short-term incentive*	-1 645	- 795	*107*
Long-term incentive*	- 233	- 230	*1*
Pension costs	-1 093	-1 442	*-24*
Redundancy costs*	- 135	- 308	*-56*
Other staff costs	- 665	- 684	*-3*
Staff costs	**-14 004**	**-13 786**	***2***

* including social charges

SEK m	Jan - Dec 2010	Jan - Dec 2009	%
Short-term incentive (STI) to staff	-1 392	- 624	*123*
Social benefit charges on STI	- 253	- 171	*48*
Short-term incentive remuneration	**-1 645**	**- 795**	***107***

SEK m	Jan - Dec 2010	Jan - Dec 2009	%
Long-term incentive (LTI) to staff	- 182	- 166	*10*
Social benefit charges on LTI	- 51	- 64	*-20*
Long-term incentive remuneration	**- 233**	**- 230**	***1***

Balance sheet – SEB Group

SEK m	31 Dec 2010	31 Dec 2009
Cash and cash balances with central banks	46 488	36 589
Loans to credit institutions	204 188	331 460
Loans to the public	1 074 879	1 187 837
Financial assets at fair value *	617 746	581 641
Available-for-sale financial assets *	66 970	87 948
Held-to-maturity investments *	1 451	1 332
Assets held for sale	74 951	596
Investments in associates	1 022	995
Tangible and intangible assets	27 035	27 770
Other assets	65 091	52 059
Total assets	**2 179 821**	**2 308 227**
Deposits from credit institutions	212 624	397 433
Deposits and borrowing from the public	711 541	801 088
Liabilities to policyholders	263 970	249 009
Debt securities	530 483	456 043
Financial liabilities at fair value	200 690	191 440
Liabilities held for sale	48 339	165
Other liabilities	85 665	74 984
Provisions	1 414	2 033
Subordinated liabilities	25 552	36 363
Total equity	99 543	99 669
Total liabilities and equity	**2 179 821**	**2 308 227**
* Of which bonds and other interest bearing securities including derivatives.	416 864	457 209

A more detailed balance sheet is included in the Fact Book.

Off-balance sheet items – SEB Group

SEK m	31 Dec 2010	31 Dec 2009
Collateral pledged for own liabilities	231 334	420 302
Other pledged collateral	214 989	202 168
Contingent liabilities	82 048	84 058
Commitments	388 619	378 442

Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Available-for-sale financial assets	Cash flow hedges	Translation of foreign operations	Other	Total Share-holders' equity	Minority interests	Total Equity
Jan-Dec 2010									
Opening balance	21 942	76 699	-1 096	793	- 412	1 491	**99 417**	252	**99 669**
Net profit		6 745					**6 745**	53	**6 798**
Other comprehensive income (net of tax)			- 629	-1 215	-733	-1 435	**-4 012**	- 39	**-4 051**
Total comprehensive income		**6 745**	**- 629**	**-1 215**	**- 733**	**-1 435**	**2 733**	**14**	**2 747**
Dividend to shareholders		-2 194					**-2 194**		**-2 194**
Swap hedging of employee stock option programme*		- 713					**-713**		**-713**
Eliminations of repurchased shares for employee stock option programme**		34					**34**		**34**
Closing balance	**21 942**	**80 571**	**-1 725**	**- 422**	**-1 145**	**56**	**99 277**	**266**	**99 543**
Jan-Dec 2009									
Opening balance	6 872	75 949	-3 062	1 767	-225	2 236	**83 537**	192	**83 729**
Net profit		1 114					**1 114**	64	**1 178**
Other comprehensive income (net of tax)			1 966	- 974	-187	-745	**60**	- 4	**56**
Total recognised income		**1 114**	**1 966**	**- 974**	**- 187**	**- 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**	**-1 096**	**793**	**- 412**	**1 491**	**99 417**	**252**	**99 669**

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

** SEB has repurchased 19.4 million Series A shares for the long-term incentive programmes as decided at the Annual General Meetings in 2002, 2003 and 2004. The acquisition cost for these shares is deducted from shareholders' equity. In 2005 1.0 million shares were transferred from the capital structure programme to the incentive programmes and in 2006 3.1 million shares were sold in accordance with a decision at the Annual General Meeting. As stock options have been exercised during 2005–2009 16.5 million shares have been sold and another 1.1 million shares have been sold in 2010. During 2010, SEB has also repurchased 0.6 million Series A shares for the long-term incentive programmes as decided at the Annual General Meeting. The acquisition cost for these shares is deducted from shareholders' equity. Thus, as of 31 December 2010 SEB owned 0.3 million Class A-shares with a market value of SEK 15m.

Cash flow statement – SEB Group

SEK m	Jan - Dec 2010	Jan - Dec 2009	%
Cash flow from operating activities	- 3 472	- 74 312	*- 95*
Cash flow from investment activities	935	- 5	
Cash flow from financing activities	- 23 490	- 11 013	*113*
Net increase in cash and cash equivalents	**- 26 027**	**- 85 330**	
Cash and cash equivalents at the beginning of year	89 673	175 147	*- 49*
Net increase in cash and cash equivalents	- 26 027	- 85 330	
Cash and cash equivalents at the end of period[1)]	**63 646**	**89 817**	***- 29***

1) Cash and cash equivalents at the 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	Q3		Q4		Jan - Dec		
SEK m	**2010**	**2010**	**%**	**2009**	**%**	**2010**	**2009**	**%**
Reclassified, SEK m								
Opening balance	95 003	107 004	*-11*	131 438	*-28*	125 339	107 899	*16*
Reclassified							51 770	
Amortisations	-3 004	- 604		-1 212	*148*	-6 618	-6 683	*-1*
Securities sold	-11 164	-3 905	*186*	-5 768	*94*	-25 325	-18 180	*39*
Accrued coupon	- 79	2		- 59	*34*	- 44	465	*-109*
Exchange rate differences	-2 075	-7 494	*-72*	940		-14 671	-9 932	*48*
Closing balance*	**78 681**	**95 003**	***- 17***	**125 339**	***- 37***	**78 681**	**125 339**	***-37***
* Market value	77 138	93 302	*-17*	120 635	*-36*	77 138	120 635	*-36*
Fair value impact - if not reclassified, SEK m								
In Equity (AFS origin)	112	588	*-81*	1 852	*-94*	2 901	2 555	*14*
In Income Statements (HFT origin)	46	212	*-78*	805	*-94*	49	606	*-92*
Total	**158**	**800**	***-80***	**2 657**	***-94***	**2 950**	**3 161**	***-7***
Effect in Income Statements, SEK m*								
Net interest income	232	524	*-56*	400	*-42*	1 578	2 974	*-47*
Net financial income	-1 447	-8 834	*-84*	2 027	*-171*	-9 060	-5 141	*76*
Other income	- 180	- 98	*84*	- 23		- 282	50	
Total	**-1 395**	**-8 408**	***-83***	**2 404**	***-158***	**-7 764**	**-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	31 Dec 2010	31 Dec 2009
Individually assessed impaired loans		
Impaired loans, past due > 60 days	14 464	18 157
Impaired loans, performing or past due < 60 days	2 754	3 167
Total individually assessed impaired loans	**17 218**	**21 324**
Specific reserves	- 8 883	- 10 456
for impaired loans, past due > 60 days	*- 7 741*	*- 9 489*
for impaired loans, performing or past due < 60 days	*- 1 142*	*- 967*
Collective reserves	- 3 030	- 4 371
Impaired loans net	**5 305**	**6 497**
Specific reserve ratio for individually assessed impaired loans	51.6%	49.0%
Total reserve ratio for individually assessed impaired loans	69.2%	69.5%
Net level of impaired loans	0.62%	0.72%
Gross level of impaired loans	1.26%	1.39%
Portfolio assessed loans		
Portfolio assessed loans past due > 60 days	6 534	6 937
Restructured loans	502	312
Collective reserves for portfolio assessed loans	- 3 577	- 3 250
Reserve ratio for portfolio assessed loans	50.8%	44.8%
Reserves		
Specific reserves	- 8 883	- 10 456
Collective reserves	- 6 607	- 7 621
Reserves for off-balance sheet items	- 476	- 478
Total reserves	**- 15 966**	**- 18 555**
Non-performing loans		
Non-performing loans*	24 254	28 573
NPL coverage ratio	65.8%	64.9%
NPL % of lending	1.77%	1.86%

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

Seized assets – SEB Group

SEK m	31 Dec 2010	31 Dec 2009
Properties, vehicles and equipment	647	217
Shares	56	62
Total seized assets	**703**	**279**

Discontinued operations – SEB Group

Income statement

	Q4	Q3		Q4		Jan - Dec		
SEK m	2010	2010	%	2009	%	2010	2009	%
Total operating income	599	642	*-7*	756	*-21*	2 648	3 042	*-13*
Total operating expenses*	- 647	-1 936	*-67*	- 852	*-24*	-4 204	-3 603	*17*
Profit before credit losses	**- 48**	**-1 294**	***-96***	**- 96**	***-50***	**-1 556**	**- 561**	***177***
Net credit losses	- 160	- 108	*48*	- 96	*67*	- 361	- 418	*-14*
Operating profit	**- 208**	**-1 402**	***-85***	**- 192**	***8***	**-1 917**	**- 979**	***96***
Income tax expense	125	- 84		53	*136*	131	288	*-55*
Net profit from discontinued operations	**- 83**	**-1 486**	***-94***	**- 139**	***-40***	**-1 786**	**- 691**	***158***

*Transaction related costs of SEK 1,240m (EUR 130m) recorded in discontinued operations in the third quarter consists of advisory costs and execution of IT and physical separation including redundancy.

Assets and liabilities held for sale

SEK m	31 Dec 2010	31 Dec 2009
Loans to the public	73 866	
Other assets	1 085	596
Total assets held for sale	**74 951**	**596**
Deposits from credit institutions	6 303	
Deposits and borrowing from the public	40 777	
Other liabilities	2 029	165
Total liabilities held for sale	**49 109**	**165**

Cash flow statement

	Jan - Dec		
SEK m	2010	2009	%
Cash flow from operating activities	774	- 6 745	*- 111*
Cash flow from investment activities	- 115	308	*- 137*
Cash flow from financing activities	- 726	6 320	*- 111*
Net increase in cash and cash equivalents from discontinued operations	**- 67**	**- 117**	***- 43***

Capital base of the SEB financial group of undertakings

SEK m	31 Dec 2010	31 Dec 2009
Total equity according to balance sheet (1)	99 543	99 669
./. Dividend (excl repurchased shares)	-3 291	-2 193
./. Investments outside the financial group of undertakings (2)	-40	-47
./. Other deductions outside the financial group of undertakings (3)	-2 688	-2 570
= Total equity in the capital adequacy	**93 524**	**94 859**
Adjustment for hedge contracts (4)	1 755	-419
Net provisioning amount for IRB-reported credit exposures (5)	0	-297
Unrealised value changes on available-for-sale financial assets (6)	1 724	1 096
./. Exposures where RWA is not calculated (7)	-1 184	-1 169
./. Goodwill (8)	-4 174	-4 464
./. Other intangible assets	-2 564	-2 616
./. Deferred tax assets	-1 694	-1 609
= Core Tier 1 capital	**87 387**	**85 381**
Tier 1 capital contribution (non-innovative)	4 492	5 130
Tier 1 capital contribution (innovative)	10 101	11 093
= Tier 1 capital	**101 980**	**101 604**
Dated subordinated debt	4 922	11 028
./. Deduction for remaining maturity	-361	-658
Perpetual subordinated debt	4 152	7 386
Net provisioning amount for IRB-reported credit exposures (5)	91	-297
Unrealised gains on available-for-sale financial assets (6)	511	642
./. Exposures where RWA is not calculated (7)	-1 184	-1 169
./. Investments outside the financial group of undertakings (2)	-40	-47
= Tier 2 capital	**8 091**	**16 885**
./. Investments in insurance companies (9)	-10 500	-10 601
./. Pension assets in excess of related liabilities (10)	-422	-543
= Capital base	**99 149**	**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 31 December 2010 the parent company's Tier 1 capital was SEK 94,049 (93,674) and the reported Tier 1 capital ratio was 16.0 per cent (14.8)

Capital requirements for the SEB financial group of undertakings

Minimum capital requirements are 8 per cent of risk-weighted assets as stated below.

Risk-weighted assets SEK m	**31 Dec 2010**	**31 Dec 2009**
Credit risk IRB approach		
Institutions	37 405	50 200
Corporates (1)	403 128	405 072
Securitisation positions	6 337	10 590
Retail mortgages	65 704	65 021
Other retail exposures	9 826	10 792
Other exposure classes	1 511	1 638
Total credit risk IRB approach	**523 911**	**543 313**
Further risk-weighted assets		
Credit risk, Standardised approach (2)	91 682	97 563
Operational risk, Advanced Measurement approach	44 568	39 459
Foreign exchange rate risk	15 995	7 957
Trading book risks	39 970	42 200
Total risk-weighted assets	**716 126**	**730 492**
Summary		
Credit risk	615 593	640 876
Operational risk	44 568	39 459
Market risk	55 965	50 157
Total	**716 126**	**730 492**
Adjustment for flooring rules		
Addition according to transitional flooring (3)	83 672	64 685
Total reported	**799 798**	**795 177**

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. Reported risk-weighted assets are 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.

Capital adequacy analysis

Representing business volumes as risk-weighted assets 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 capital adequacy 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	**31 Dec 2010**	**31 Dec 2009**
Capital resources		
Core Tier 1 capital	87 387	85 381
Tier 1 capital	101 980	101 604
Capital base	99 149	107 345
Capital adequacy without transitional floor (Basel II)		
Risk-weighted assets	716 126	730 492
Expressed as capital requirement	57 290	58 439
Core Tier 1 capital ratio	12,2%	11,7%
Tier 1 capital ratio	14,2%	13,9%
Total capital ratio	13,8%	14,7%
Capital base in relation to capital requirement	1,73	1,84
Capital adequacy including transitional floor		
Transition floor applied	80%	80%
Risk-weighted assets	799 798	795 177
Expressed as capital requirement	63 984	63 614
Core Tier 1 capital ratio	10,9%	10,7%
Tier 1 capital ratio	12,8%	12,8%
Total capital ratio	12,4%	13,5%
Capital base in relation to capital requirement	1,55	1,69
Capital adequacy with risk weighting according to Basel I		
Risk-weighted assets	998 326	1 003 250
Expressed as capital requirement	79 866	80 260
Core Tier 1 capital ratio	8,8%	8,5%
Tier 1 capital ratio	10,2%	10,1%
Total capital ratio	9,9%	10,7%
Capital base in relation to capital requirement	1,24	1,34

Overall Basel II RWA (before the effect of transitional flooring) decreased with 2 per cent or SEK 14bn over the year. The biggest factor behind this change was the currency translation effect from the stronger Swedish krona which decreased RWA with SEK 45bn. RWA increased SEK 4bn from risk class migration; this and other risk weight changes are discussed below. Underlying credit volumes showed a mixed pattern where increased corporate lending added some SEK 23bn to RWA while mainly inter-bank volumes decreased. Operational and market RWA taken together increased SEK 11bn over the year. Including other changes this resulted in a net decrease of RWA according to Basel II (without transitional floor) to SEK 716bn.

The above means that un-floored Basel II RWA was 28 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 certainly be affected by the proposed revisions to the international capital framework ("Basel III") as published by the Basel Committee in 2009 and 2010. SEB participated 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**	**31 Dec** **2010**	**31 Dec** **2009**
Institutions	19,5%	17,5%
Corporates	57,0%	57,8%
Securitisation positions	20,6%	22,6%
Retail mortgages	16,9%	17,2%
Other retail exposures	38,2%	38,5%

Corporate exposures showed a limited risk class migration which increased RWA with SEK 4bn over the year. The effect was countered by volume expansion mainly in the stronger risk classes resulting in almost stable risk weight in that portfolio over the year. 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	Q4	Q3		Q4		Jan - Dec		
SEK m	**2010**	**2010**	**%**	**2009**	**%**	**2010**	**2009**	**%**
Interest income	*7 883*	*7 168*	*10*	*6 276*	*26*	*27 830*	*33 420*	*-17*
Leasing income	*1 415*	*1 367*	*4*	*1 379*	*3*	*5 496*	*5 800*	*-5*
Interest expense	*-5 493*	*-4 974*	*10*	*-4 653*	*18*	*-19 498*	*-24 151*	*-19*
Dividends	*42*	*754*	*-94*	2 461	*-98*	*1 182*	2 757	*-57*
Fee and commission income	*2 328*	*1 988*	*17*	*2 133*	*9*	*8 408*	*7 851*	*7*
Fee and commission expense	*- 361*	*- 360*	*0*	*- 430*	*-16*	*-1 501*	*-1 636*	*-8*
Net financial income	*449*	*705*	*-36*	857	*-48*	*3 239*	4 065	*-20*
Other income	*217*	*3*		551	*-61*	*532*	2 811	*-81*
Total operating income	**6 480**	**6 651**	***-3***	**8 574**	***-24***	**25 688**	**30 917**	***-17***
Administrative expenses	*-3 859*	*-3 215*	*20*	-2 830	*36*	*-13 935*	-12 117	*15*
Other expenses								
Depreciation, amortisation and impairment of tangible and intangible assets	*-1 165*	*-1 159*	*1*	-1 524	*-24*	*-4 630*	-5 125	*-10*
Total operating expenses	**-5 024**	**-4 374**	***15***	**-4 354**	***15***	**-18 565**	**-17 242**	***8***
Profit before credit losses	**1 456**	**2 277**	***-36***	**4 220**	***-65***	**7 123**	**13 675**	***-48***
Net credit losses	- 185	- 6		- 237	*-22*	- 362	- 984	*-63*
Impairment of financial assets	7	3	*133*	- 475		- 442	-1 222	*-64*
Operating profit	**1 278**	**2 274**	***-44***	**3 508**	***-64***	**6 319**	**11 469**	***-45***
Appropriations	-1 288	4		-1 507	*-15*	-1 283	-1 510	*-15*
Income tax expense	- 155	- 889	-83	- 129	*20*	-2 591	-1 451	*79*
Other taxes	- 22			- 4		- 75	-1 544	*-95*
Net profit	**- 187**	**1 389**	***-113***	**1 868**	***-110***	**2 370**	**6 964**	***-66***

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

	Q4	Q3		Q4		Jan - Dec		
SEK m	**2010**	**2010**	**%**	**2009**	**%**	**2010**	**2009**	**%**
Net profit	**- 187**	**1 389**	***-113***	**1 868**	***-110***	**2 370**	**6 964**	***-66***
Available-for-sale financial assets	-223	213		104		-337	1 053	
Cash flow hedges	-730	-119		8		-1 208	- 965	*25*
Translation of foreign operations	8	-19	*-142*	83	*-90*	-29	- 96	*-70*
Group contributions	199	503	*-60*	210	*-5*	1 203	662	*82*
Other	758	-92		18		603	146	
Other comprehensive income (net of tax)	**12**	**486**	**- 98**	**423**	***-97***	**232**	**800**	**- 71**
Total comprehensive income	**- 175**	**1 875**	**- 109**	**2 291**	***-108***	**2 602**	**7 764**	**- 66**

Balance sheet - Skandinaviska Enskilda Banken AB (publ)

Condensed **SEK m**	**31 Dec** **2010**	**31 Dec** **2009**
Cash and cash balances with central banks	19 941	21 815
Loans to credit institutions	250 568	376 223
Loans to the public	763 441	732 475
Financial assets at fair value	334 060	304 675
Available-for-sale financial assets	16 583	16 331
Held-to-maturity investments	3 685	3 789
Investments in associates	967	907
Shares in subsidiaries	55 145	59 325
Tangible and intangible assets	40 907	41 354
Other assets	51 031	39 022
Total assets	**1 536 328**	**1 595 916**
Deposits from credit institutions	195 408	386 530
Deposits and borrowing from the public	484 839	490 850
Debt securities	488 533	368 784
Financial liabilities at fair value	190 638	176 604
Other liabilities	62 363	48 886
Provisions	180	496
Subordinated liabilities	25 096	35 498
Untaxed reserves	23 930	22 645
Total equity	65 341	65 623
Total liabilities, untaxed reserves and shareholders' equity	**1 536 328**	**1 595 916**

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

SEK m	**31 Dec** **2010**	**31 Dec** **2009**
Collateral pledged for own liabilities	138 775	268 284
Other pledged collateral	35 663	47 031
Contingent liabilities	64 120	64 045
Commitments	291 046	275 203