

# Interim Report January-March 2009

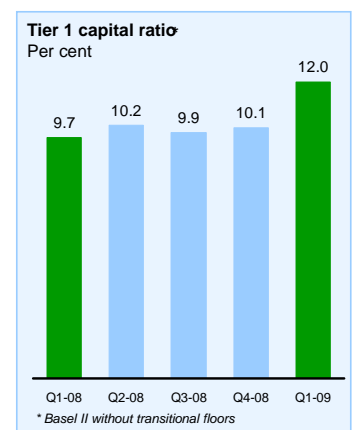
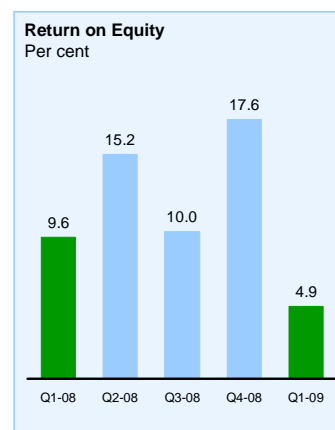
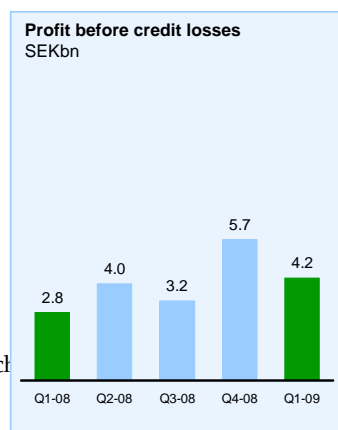
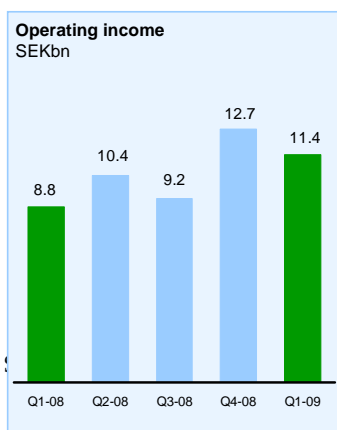
STOCKHOLM 24 APRIL 2009

## The first quarter of 2009 – operating profit SEK 1.8bn (2.4)

- Profit before provisions for credit losses for the first quarter amounted to SEK 4,186m (2,771), an increase of 51 per cent compared with the first quarter of 2008 and 27 per cent down from the previous quarter. Operating profit was SEK 1,802m (2,410) and Net profit SEK 1,027m (1,848).
- Operating income increased by 30 per cent compared with the first quarter of 2008. Net interest income rose by 40 per cent, and Net fee and commission income decreased by 15 per cent. Net financial income improved by SEK 1.3bn. Compared with the previous quarter, operating income was down by 10 per cent.
- Operating expenses were 10 per cent higher than in the corresponding quarter of 2008, excluding goodwill impairment charges. Costs increased due to foreign exchange translation effects, increased pension costs and further redundancy charges. Compared with the previous quarter, costs were up by 4 per cent.
- An impairment charge of SEK 594m was made for all goodwill for SEB's business in Ukraine.
- Loans to the public increased by SEK 219bn and deposits from the public by SEK 71bn year-on-year.
- Provisions for credit losses increased to SEK 2,386m (364), of which 60 per cent were collective, and rose by SEK 683m compared with the previous quarter. The credit loss level was 0.70 per cent (0.13).
- Return on equity was 4.9 per cent (9.6) and earnings per share SEK 1.03 (1.92).
- SEB's rights issue of SEK 15.1bn was successfully completed. Tier I capital ratio was 12.0 per cent (9.7).
- The Board has decided to apply for SEB's participation in the Swedish Funding Guarantee Programme. The application will be filed within the next few days.

“SEB's underlying business has started the year on a strong note. Continued high earnings capacity going forward and the increased capital strength after the rights issue will provide a substantial buffer to withstand further expected deterioration of overall business conditions.”

Annika Falkengren



## President's comment

SEB's underlying business has started off on a strong note in a quarter marked by further downward revisions of the macroeconomic outlook and continually distressed financial markets. Operating income increased by 30 per cent compared with the corresponding period last year. Operating profit before provisions for credit losses and goodwill impairment increased by SEK 2,009m to SEK 4,780m (including goodwill impairment SEK 4,186m).

### **Strong underlying business**

High customer interaction and a well diversified product offering within Merchant Banking resulted in one of the highest operating results for the division to date. Business volumes were high especially in areas as fixed income, foreign exchange and corporate banking. Also Retail Sweden and Life recorded robust results.

### **Deteriorating Baltic economic development**

The severe economic downturn, particularly in the Baltic countries, calls for continued cautious and proactive credit portfolio management. Baltic lending amounts to SEK 166bn, or 13 per cent of total lending of SEK 1,317bn. Impaired loans rose sharply in the Baltic countries, reflecting the accelerated pace of negative economic development in the first quarter in Latvia and Lithuania.

To address problem credits early on is key to safeguard the long-term viability of our customers and to minimise our credit losses. The special credit work-out team now includes a total of 150 highly experienced Swedish and local credit specialists, who work in close co-operation with local managers. Reviews of 71 per cent of all Baltic clients with loans exceeding EUR 1m have been made by the special work-out team. High risk committees monitor and follow up on all subsequent action plans. We are expecting a continued harsh development in the Baltic countries and have continued to build up reserves. Provisions for credit losses thus increased substantially to SEK 1,702m in the Baltic region of which two thirds were collective provisions.

### **Full stop for Ukrainian expansion**

The economic crisis in Ukraine severely deepened during the quarter. The former expansion plan for the minor Ukrainian operation has been put on a complete hold as we



believe business conditions will be difficult for the foreseeable future. An impairment charge (SEK 594m) of all goodwill has been made as well as increased collective provisioning.

### **Strong capital position and earnings resilience**

During the quarter our rights issue of SEK 15bn was successfully completed. It is a strong vote of confidence by our shareholders. SEB's Tier I ratio now amounts to 12 per cent.

Going forward, we will support revenue generation through a continued focus on our existing customers, offering them the full range of our services as a strong financial partner. The increased capital strength provides a substantial buffer to withstand further deterioration of overall business conditions.

### **The Swedish Funding Guarantee Programme**

The forthcoming application for SEB's participation in the Swedish Funding Guarantee Programme will create an alignment with most of SEB's international competitors who already benefit from different government guarantees in their funding. It may lower funding costs for the Group, in particular as half of the cost of the state funding guarantee can be offset against the fee for the Swedish stability fund. I believe the participation will benefit SEB's customers and shareholders. It is also a means for SEB to contribute to the overall stability of the Swedish financial system.

## The Group

### Operating profit and Net profit

SEB's profit before credit losses for the first quarter amounted to SEK 4,186m (2,771), an increase of 51 per cent compared with the first quarter of 2008 and 27 per cent down from the previous quarter. Excluding goodwill impairment, operating profit before provisions for credit losses increased by SEK 2,009m to SEK 4,780m. Operating profit was SEK 1,802m (2,410) and included a net positive effect of SEK 61m from the depreciation of the Swedish krona. Net profit was SEK 1,027m (1,848).

### Income

Total operating income amounted to SEK 11,430m (8,798), up by 30 per cent from the first quarter of 2008. A positive foreign exchange translation effect amounted to SEK 682m. Compared with the previous quarter, income was down by 10 per cent (-4 per cent excluding the VPC sales gain in the last quarter of 2008).

Net interest income improved by 40 per cent, to SEK 5,904m (4,223). Higher volumes contributed SEK 551m, or 33 per cent, of the increase; average deposit volumes grew by 11 per cent and average lending volumes to the public by 18 per cent compared with the end of March 2008. The net effect of higher lending and lower deposit margins was SEK 20m. As a consequence, customer-driven net interest income grew by 15 per cent compared with the corresponding quarter of 2008.

Reduced short-term funding rates of fixed-income securities portfolios had a large positive effect on net interest income. Together with shortened funding duration and pull-to-par effects of SEK 120m on the bond investment portfolio the combined effect accounted for 66 per cent of the increased net interest income, or SEK 1,110m. Net interest income also include an accrued cost of SEK 75m for the charge to the Swedish stability fund.

Compared with the previous quarter, the increase in Net interest income was 7 per cent, mainly due to the positive effect of the short-term funding rates.

Net fee and commission income amounted to SEK 3,215m (3,801), a decrease of 15 per cent compared with both the corresponding quarter of 2008 and the previous quarter. This was an effect of reduced equity markets activity, declining fees from lower assets under management and lower performance fees within the Wealth Management division. Commission income from payments, cards and other non-capital market-related business grew by 12 per cent year-on-year.

Net financial income rose by SEK 1,294m, to SEK 1,133m (-161), mainly due to high market volatility and activities within the trading and capital market areas in combination with lower valuation losses at SEK 454m in the bond investment portfolio during the quarter compared with losses of SEK 872m during the first quarter of 2008. Compared with the previous quarter, Net financial income was down by 34 per cent, mainly due to SEK 267m of higher valuation losses in the bond investment portfolio.

The foreign exchange business unit continued to generate income above SEK 1.1bn, even if it was SEK 282m lower than in the previous quarter.

Net life insurance income increased by 21 per cent, to SEK 862m (713), mainly due to recovery of past provisions for covering potential future guarantees related to traditional portfolios. In comparison with the previous quarter, insurance income improved by 67 per cent. A complete description of Life's operations, including changes in surplus values, is found in "Additional information" on [www.sebgroup.com](http://www.sebgroup.com).

Net other income rose to SEK 316m (222). Compared with the previous quarter, Net other income was down by 73 per cent or SEK 838m, primarily explained by the VPC sales gain of SEK 780m at the end of 2008.

### Expenses

Total operating expenses amounted to SEK 7,244m (6,027). Excluding goodwill impairment charges in Ukraine, the increase in expenses was 10 per cent, fully explained by foreign exchange translation effects of SEK 388m, increased pension costs of SEK 195m and additional redundancy charges of SEK 68m. Compared with the previous quarter, operating expenses rose by 4 per cent.

The cost efficiency gains during the first quarter amounted to SEK 275m, bringing the accumulated gain to SEK 1,304m since the start in 2007.

Staff costs rose by 13 per cent, to SEK 4,391m (3,899). Salaries increased to SEK 3,072m (2,775), pension costs to SEK 417m (222) and redundancy costs to SEK 148m (80). Short-term and long-term incentive remuneration (including social benefit charges) decreased to SEK 563m (644). The average number of full time equivalents decreased by 320 to 20,736 (21,056). In comparison with the previous quarter, staff costs decreased by 4 per cent.

Pension costs for 2009 are expected to increase by some SEK 0.8bn due to falling return on plan assets and increased actuarial losses, which in combination requires an amortisation of the loss over a 15-year period.

Other expenses increased by 5 per cent, to SEK 1,838m (1,756), mostly due to higher IT costs and higher cost for premises. Costs for One IT Roadmap amounted to SEK 81m. Compared with the previous quarter, other expenses decreased by 7 per cent.

### SEK 594m goodwill impairment for Ukraine

In the first quarter of 2009, SEB made a SEK 594m goodwill impairment charge for its investment in banking activities in Ukraine. These costs are included in Total operating expenses. The expansion plan which supported the acquisitions in 2004 and 2007 is no longer valid as the economic conditions in Ukraine have turned dramatically worse. Following this impairment charge, SEB has no goodwill left related to its operations in Ukraine.

## Credit losses

*Net credit losses* – consisting mostly of provisions rather than actual losses – increased to SEK 2,386m (364). The credit loss level rose to 0.70 per cent (0.13).

Higher collective provisions to meet the rapidly deteriorating Baltic economies increased the total provisions for credit losses in the region to SEK 1,702m (221). Collective provisions accounted for 68 per cent. The net credit loss level in the Baltic countries was 3.70 per cent (1.28). In the previous quarter it was 2.59 per cent.

Provisions within Merchant Banking amounted to SEK 279m (27); within the Card business to SEK 110m (51). In Ukraine, SEB provisioned SEK 114m and in Russia SEK 48m, equal to a net credit loss level of 12.4 (0.3) and 7.8 per cent (0.2), respectively.

Individually assessed impaired loans amounted to SEK 12,982m (7,321), an increase of 77 per cent compared with a year ago. This corresponded to a level of impaired loans of net 0.46 per cent (0.26) and gross 0.81 per cent (0.52). The total reserve ratio was 72 per cent (77). The level of impaired loans in the Baltic countries was net 1.85 per cent (0.11) and gross 2.88 per cent (0.38).

The Group's impaired portfolio assessed loans (homogeneous groups) amounted to SEK 3,841m (1,232) and the corresponding reserve ratio for these loans was 48 per cent (60).

## Tax costs

Total tax amounted to SEK 781m (562). The total tax rate of 43.3 per cent reflects the non-tax deductibility of the goodwill impairment charge and the increased credit provisions in the Baltic countries where tax rates are between 0-20 per cent. For these reasons the total tax rate is expected to remain high.

## Business volumes

The Group's balance sheet as per 31 March 2009 was SEK 2,460bn (2,511 at year-end 2008). Positive currency effects amounted to SEK 27bn. Lending to the public increased by 2 per cent during the quarter, while deposits from the public were slightly down.

SEB's total credit exposure was flat at SEK 1,933bn (1,934 at year-end 2008). Corporate lending grew in Sweden while it decreased in the Baltic countries. Quarterly credit growth, measured in local currencies, was -3, -3 and -5 per cent in Estonia, Latvia and Lithuania, respectively.

As of 31 March 2009, assets under management amounted to SEK 1,187bn (1,201). Net inflow during the first quarter was SEK 9bn (7), while the change in value was SEK -23bn (-63).

Assets under custody amounted to SEK 3,991bn (3,891).

## Fixed-income securities portfolios

As per 31 March, SEB held total net positions in fixed-income securities of SEK 356bn (355) for investment, treasury and client trading purposes. Holdings consist

mainly of covered bonds, bonds issued by financial institutions and structured credits.

The SEK 123bn (131) investment portfolio of Merchant Banking remained negatively affected by the dislocations in the credit markets. The holdings of structured credits in the investment portfolio amounted to SEK 62bn (63) and the holdings of covered bonds and bonds issued by financial institutions in the investment portfolio amounted to SEK 61bn (68).

The size of amortisations and sales from the portfolio is offset by foreign exchange translation effects. Applying the currency exchange rates as of the end of March 2008, the holdings of structured credits would have amounted to SEK 50bn, i.e. a decrease by SEK 13bn in one year. The corresponding numbers for bonds issued by financial institutions would have been a decrease of SEK 17bn to SEK 38bn (55).

The valuation losses in the investment portfolio in the first quarter of 2009 amounted to SEK 895m (2,502), of which SEK 454m (872) over income and SEK 441m (1,630) over equity. SEK 530m (1,784) of the mark-to-market loss referred to holdings in structured credits and SEK 365m (718) to other financial instruments, mainly bonds issued by financial institutions. If the Group had not reclassified these financial assets during 2008, fair value losses amounting to SEK 199m and SEK 2,876m, respectively, would have been recognised in the first quarter profit and loss and in the equity revaluation reserve respectively.

Based on SEB's long-term investment view, risk management has been focused on limiting further income volatility and on limited divestments. Thus, and including the reclassification within the portfolio, the Held-for-Trading holdings decreased to SEK 6bn (49) and the Available-for-Sale holdings to SEK 18bn (82), while securities classified as Loans and Receivables increased to SEK 98bn (0).

Under prevailing credit market conditions, SEB views a default on the holdings in the investment portfolio as unlikely. The risk for impairment charges has increased in the structured credits portfolio.

88.5 per cent of the holdings of structured credits in the investment portfolio are AAA-rated and 5.1 per cent have a sub-investment grade rating. There are no impaired assets in the portfolio and no 'level 3' assets. The average economic duration of the holdings is approximately three and a half years. 65 per cent of the structured credits are related to the European markets, 33 per cent to the U.S. market while other markets make up 2 per cent.

83 per cent of the holdings of covered bonds and bonds issued by financial institutions in the investment portfolio involve European institutions, 14 per cent U.S. institutions and 3 per cent Australian institutions.

## Market risk

During the first quarter of 2009, the Group's Value at Risk in trading operations averaged SEK 129m (151 for calendar year 2008). This means that the Group on average, with 99 per cent probability, would not expect to lose more than

this amount during a ten-day period. The decrease in overall risk level is a consequence of a certain market normalisation compared to the last quarter of 2008.

### **Liquidity and funding**

The funding markets, which have been severely disrupted since September 2008, are gradually returning to a more normalised situation. Nevertheless, credit spreads remain on a high level. Liquidity risk charges reflecting the higher spreads are applied throughout the Group to reflect the market. With a deposit-to-loan ratio of 67 per cent and having raised some SEK 25bn of long-term funding during the first quarter of 2009, SEB has not restricted its lending. SEB continued to maintain a large pool of eligible assets in excess of SEK 200bn.

At 31 March 2009, the match-funding of net cash inflows and outflows was approximately 6-8 months, taking liquidity reserves into consideration, which in the prevailing market must be deemed satisfactory.

### **Capital position**

Payments of SEK 14.9bn for SEB's rights issue were made before end of March and are included in the capital adequacy. This is reflected in capital ratios below. A further SEK 212m has been paid after the end of March.

As per 31 March 2009, Basel II risk-weighted assets (RWA) amount to SEK 830bn, which would represent a Tier I capital ratio of 12.0 (10.1) per cent and a core Tier I capital ratio of 10.2 (8.6) per cent. The total capital ratio would be 14.3 (12.8) per cent. Risk-weighted assets have grown by 1.5 per cent, SEK 12bn, since year-end, as a net effect of risk class migration, a weaker Swedish krona, extended IRB roll-out and reductions of risk-weighted assets in the business.

Adjusted for the supervisory transitional rules during the first Basel II years, SEB reports RWA of SEK 897bn (986), a Tier I capital ratio of 11.1 per cent (8.4) and a total capital ratio of 13.2 per cent (10.6). The lowering of Basel II implementation floors in 2009 (from 90 to 80 per cent of Basel I requirements) is reflected in these ratios.

Appendix 3 presents details of capital adequacy.

### **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 Appendix 2). The outlook for the global economy has deteriorated and SEB holds the view that economic growth will be substantially lower in the next few years.

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

The economic imbalances in the Baltic countries and the

short-term orientation of the funding markets constitute specific risks and uncertainties for the Group.

The general credit spread widening across all assets continued in the first quarter of 2009. Wider spreads have resulted in mark-to-market losses on SEB's fixed-income securities portfolios (see under Fixed-income securities portfolios) and further valuation losses cannot be ruled out. The risk for impairment charges has increased.

### **Rating**

In March 2009, Standard & Poors changed its outlook from stable to negative, but affirmed SEB's long-term A rating. In April, Moody's lowered SEB's rating from Aa2 till A1, with a negative outlook. The rating agencies refer to the Baltic macroeconomic challenges as the main rating driver. Fitch and DBRS affirmed SEB's rating in connection with the rights issue announcement.

### **Divestments**

In February 2009, SEB reached an agreement to sell the fund management business of its Polish subsidiary, SEB TFI. The sale is subject to regulatory consent.

### **Reclassification of securities portfolios**

Following the amendments to IAS 39 and IFRS 7, endorsed by the EU in October 2008, SEB has decided to reclassify SEK 52bn of its fixed-income securities as loans and receivables as of 1 January 2009. The reclassification includes SEK 5bn of assets held-for-trading and SEK 47bn of assets in the available-for-sale category.

SEB has the intention and ability to hold these securities for the foreseeable future or until maturity. Thus, the classification as loans and receivables better reflects the purpose of these holdings and avoids further short-term mark-to-market volatility in income and equity.

If the Group had not reclassified these financial assets during 2009, fair value gains of SEK 45m would have been recognised in the first quarter income and a loss of SEK 619m in the equity revaluation reserve. (See further p. 22.)

### **Decisions at the Annual General Meeting**

At SEB's Annual General Meeting (AGM) on 6 March 2009 all Board members were re-elected and Tomas Nicolin was elected as new member of the Board. Following an initiative taken by SEB's Board of Directors the AGM resolved on a 25 per cent reduction of base remuneration for the Board members.

The AGM approved the Board's proposal regarding a capital increase in the form of a rights issue of SEK 15bn (see more below) and resolved that no dividend will be distributed for 2008.

Furthermore, the AGM approved the Board's proposal for new principles for remuneration to the President and the other members of the Group Executive Committee as well as for new share-based long-term incentive programmes for 2009 in the form of a share savings programme, a performance share programme and a share

matching programme.

### **SEB's rights issue oversubscribed**

The final calculation of the outcome of Skandinaviska Enskilda Banken AB's ("SEB") rights issue pursuant to which it was offering new series A shares ("New A shares") shows that 1,485,780,686 New A shares, representing 98.6 per cent of the total rights issue, were subscribed for with preferential rights. The 21,234,485 New A shares, representing 1.4 per cent of the total rights issue, that were not subscribed for with preferential rights have been allotted to persons who have subscribed for New A shares with preferential rights, according to the principles described in the prospectus relating to SEB's rights issue. SEB has received SEK 15,070,151,710 through the rights issue, before transaction costs.

As a result of the rights issue, the number of series A shares has increased by 1,507,015,171 and the share capital by SEK 15,070,151,710. Following the rights issue, the company's share capital amounts to SEK 21,941,718,020, distributed among 2,170,019,294 series A shares and 24,152,508 series C shares.

### **Organisational changes**

In March, SEB finalised the merger of its two Ukrainian banks. SEB Bank and Factorial Bank now operate as one company.

In the Baltic countries, parts of Retail Banking have been transferred to Group Operations and to Private Banking from 2009 and corresponding amounts have been restated.

### **Subsequent events**

On 23 April, the Board decided to apply for SEB's participation on the Swedish Funding Guarantee Programme. The application will be filed within a few days.

**Stockholm, 24 April 2009**

**Annika Falkengren**

*President and Chief Executive Officer*

### **Accounting policies**

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

### **Changes in accounting standards**

Changes in the value of assets taken over are accounted for in the item Net other income as from January 2009.

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

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

### **More detailed information is presented on [www.sebgroup.com](http://www.sebgroup.com) "Additional information" including:**

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

### Financial information during 2009

5 February	Annual Accounts 2008
20 February	Annual Report available on the website
6 March	Annual General Meeting in Stockholm
24 April	Interim Report January – March 2009
20 July	Interim Report January – June 2009
21 October	Interim Report January – September 2009

### Further information is available from

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### Access to telephone conference and video web cast

The telephone conference at 15.00 (CET) on 24 April 2009 with CEO Annika Falkengren and CFO Jan Erik Back can be accessed by telephone, not later than 10 minutes in advance: +44 (0)20 7162 0025

A video web-cast with CFO Jan Erik Back will be available on [www.sebgroup.com](http://www.sebgroup.com).

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Corporate organisation number: 502032-9081

### Review report

We have reviewed this report for the period 1 January 2009 to 31 March 2009 for Skandinaviska Enskilda Banken AB (publ). The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 24 April 2009

PricewaterhouseCoopers AB

Peter Clemedtson  
*Authorised Public Accountant*  
*Partner in charge*

Peter Nyllinge  
*Authorised Public Accountant*

# The SEB Group

## Income statement SEB Group

Condensed SEK m	Q1		Q4		Jan - Mar			Full year
	2009	2008	%		2009	2008	%	2008
Net interest income	5 904	5 513	7		5 904	4 223	40	18 710
Net fee and commission income	3 215	3 790	-15		3 215	3 801	-15	15 254
Net financial income	1 133	1 723	-34		1 133	-161		2 970
Net life insurance income	862	516	67		862	713	21	2 375
Net other income	316	1 153	-73		316	222	42	1 795
<b>Total operating income</b>	<b>11 430</b>	<b>12 695</b>	<b>-10</b>		<b>11 430</b>	<b>8 798</b>	<b>30</b>	<b>41 104</b>
Staff costs	-4 391	-4 597	-4		-4 391	-3 899	13	-16 241
Other expenses	-1 838	-1 968	-7		-1 838	-1 756	5	-7 642
Depreciation of assets	-1 015	-400	154		-1 015	-372	173	-1 524
<b>Total operating expenses</b>	<b>-7 244</b>	<b>-6 965</b>	<b>4</b>		<b>-7 244</b>	<b>-6 027</b>	<b>20</b>	<b>-25 407</b>
<b>Profit before credit losses etc</b>	<b>4 186</b>	<b>5 730</b>	<b>-27</b>		<b>4 186</b>	<b>2 771</b>	<b>51</b>	<b>15 697</b>
Gains less losses from tangible and intangible assets	2	1	100		2	3	-33	5
Net credit losses	-2 386	-1 703	40		-2 386	-364		-3 231
<b>Operating profit</b>	<b>1 802</b>	<b>4 028</b>	<b>-55</b>		<b>1 802</b>	<b>2 410</b>	<b>-25</b>	<b>12 471</b>
Income tax expense	-781	-519	50		-781	-562	39	-2 421
<b>Net profit from continuing operations</b>	<b>1 021</b>	<b>3 509</b>	<b>-71</b>		<b>1 021</b>	<b>1 848</b>	<b>-45</b>	<b>10 050</b>
Discontinued operations	6	-2			6			
<b>Net profit</b>	<b>1 027</b>	<b>3 507</b>	<b>-71</b>		<b>1 027</b>	<b>1 848</b>	<b>-44</b>	<b>10 050</b>
Attributable to minority interests	2	1	100		2	1	100	9
Attributable to equity holders *	1 025	3 506	-71		1 025	1 847	-45	10 041
* Basic earnings per share, SEK	1.03	5.12			1.03	2.70		14.66
Diluted earnings per share, SEK	1.03	5.12			1.03	2.69		14.65

## Statement of comprehensive income

SEK m	Q1		Q4		Jan - Mar			Full year
	2009	2008	%		2009	2008	%	2008
<b>Net profit</b>	<b>1 027</b>	<b>3 507</b>	<b>-71</b>		<b>1 027</b>	<b>1 848</b>	<b>-44</b>	<b>10 050</b>
<b>Other comprehensive income:</b>								
Translation of foreign operations	-248	242			-248	-228	9	152
Available-for-sale financial assets	-153	-775	-80		-153	-1 189	-87	-2 624
Cash flow hedges	-67	1 676	-104		-67	-69	-3	1 607
Other	63	1 594	-96		63	-190	-133	2 066
<b>Total other comprehensive income</b>	<b>-405</b>	<b>2 737</b>	<b>-115</b>		<b>-405</b>	<b>-1 676</b>	<b>-76</b>	<b>1 201</b>
<b>Total comprehensive income</b>	<b>622</b>	<b>6 244</b>	<b>-90</b>		<b>622</b>	<b>172</b>		<b>11 251</b>
Attributable to minority interests	15	9	67		15	-15	-200	1
Attributable to equity holders	607	6 235	-90		607	187		11 250



## Key figures - SEB Group

	Q1	Q4	Q1	Jan - Mar		Full year
	2009	2008	2008	2009	2008	2008
Return on equity, %	4.9	17.6	9.6	4.9	9.6	13.1
Return on total assets, %	0.16	0.57	0.31	0.16	0.31	0.42
Return on risk-weighted assets, %	0.44	1.45	0.87	0.44	0.87	1.13
Basic earnings per share, SEK	1.03	3.63	1.92	1.03	1.92	10.40
Weighted average number of shares, millions*	991	966	964	991	964	966
Diluted earnings per share, SEK	1.03	3.63	1.91	1.03	1.91	10.39
Weighted average number of diluted shares, millions**	992	965	967	992	967	967
Net worth per share, SEK	48.75	134.10	126.34	48.75	126.34	134.10
Average equity, SEK billion	84.5	79.8	76.6	84.5	76.6	76.4
Cost/income ratio	0.63	0.55	0.69	0.63	0.69	0.62
Credit loss level, %	0.70	0.63	0.13	0.70	0.13	0.30
Total reserve ratio for individually assessed impaired loans, %	71.6	68.5	76.9	71.6	76.9	68.5
Net level of impaired loans, %	0.46	0.41	0.26	0.46	0.26	0.41
Gross level of impaired loans, %	0.81	0.73	0.52	0.81	0.52	0.73
Basel II (Legal reporting with transitional floor) :***						
Total capital ratio, incl net profit, %	13.20	10.62	11.13	13.20	11.13	10.62
Tier 1 capital ratio, incl net profit, %	11.10	8.36	8.85	11.10	8.85	8.36
Risk-weighted assets, SEK billion	897	986	817	897	817	986
Basel II (without transitional floor):						
Total capital ratio, incl net profit, %	14.26	12.81	12.18	14.26	12.18	12.81
Tier 1 capital ratio, incl net profit, %	11.99	10.08	9.68	11.99	9.68	10.08
Risk-weighted assets, SEK billion	830	818	748	830	748	818
Basel I:						
Total capital ratio, incl net profit, %	10.41	9.29	10.01	10.41	10.01	9.29
Tier 1 capital ratio, incl net profit, %	8.75	7.32	7.96	8.75	7.96	7.32
Risk-weighted assets, SEK billion	1 137	1 127	909	1 137	909	1 127
Number of full time equivalents****	20 656	21 131	21 210	20 736	21 056	21 291
Assets under custody, SEK billion	3 991	3 891	4 887	3 991	4 887	3 891
Assets under management, SEK billion	1 187	1 201	1 331	1 187	1 331	1 201

\* The number of issued shares was 2,194,171,802 after the rights issue in March 2009 (687,156,631 at year-end 2008). SEB owned 2.2 million Class A shares for the employee stock option programme at year-end 2008. During 2009 0.1 million net of these shares have been sold as employee stock options have been exercised. Thus, as of 31 March SEB owned 2.1 million Class A-shares with a market value of SEK 55m.

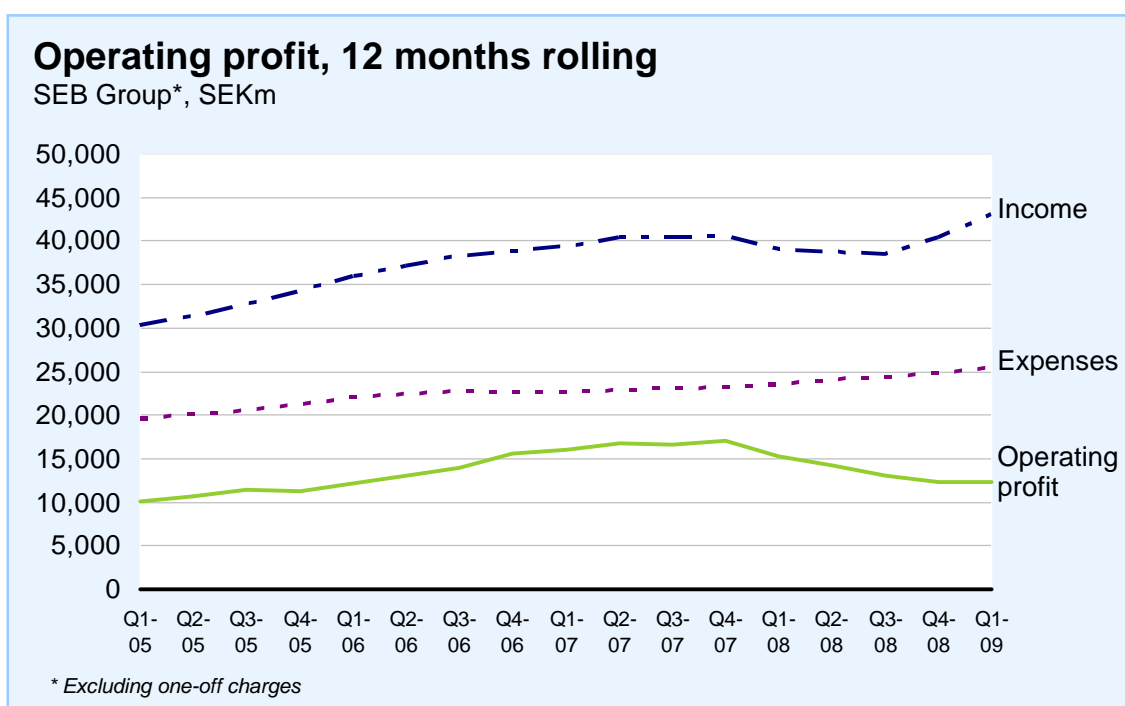
\*\* Calculated dilution based on the estimated economic value of the long-term incentive programmes.

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

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

## Income statement on quarterly basis - SEB Group

SEK m	2009:1	2008:4	2008:3	2008:2	2008:1
Net interest income	5 904	5 513	4 553	4 421	4 223
Net fee and commission income	3 215	3 790	3 754	3 909	3 801
Net financial income	1 133	1 723	247	1 161	- 161
Net life insurance income	862	516	504	642	713
Net other income	316	1 153	154	266	222
<b>Total operating income</b>	<b>11 430</b>	<b>12 695</b>	<b>9 212</b>	<b>10 399</b>	<b>8 798</b>
Staff costs	-4 391	-4 597	-3 752	-3 993	-3 899
Other expenses	-1 838	-1 968	-1 820	-2 098	-1 756
Depreciation of assets	-1 015	- 400	- 398	- 354	- 372
<b>Total operating expenses</b>	<b>-7 244</b>	<b>-6 965</b>	<b>-5 970</b>	<b>-6 445</b>	<b>-6 027</b>
<b>Profit before credit losses etc</b>	<b>4 186</b>	<b>5 730</b>	<b>3 242</b>	<b>3 954</b>	<b>2 771</b>
Gains less losses from tangible and intangible assets	2	1		1	3
Net credit losses	-2 386	-1 703	- 716	- 448	- 364
<b>Operating profit</b>	<b>1 802</b>	<b>4 028</b>	<b>2 526</b>	<b>3 507</b>	<b>2 410</b>
Income tax expense	- 781	- 519	- 641	- 699	- 562
<b>Net profit from continuing operations</b>	<b>1 021</b>	<b>3 509</b>	<b>1 885</b>	<b>2 808</b>	<b>1 848</b>
Discontinued operations	6	- 2	1	1	
<b>Net profit</b>	<b>1 027</b>	<b>3 507</b>	<b>1 886</b>	<b>2 809</b>	<b>1 848</b>
Attributable to minority interests	2	1	4	3	1
Attributable to equity holders*	1 025	3 506	1 882	2 806	1 847
* Basic earnings per share, SEK	1.03	5.12	2.75	4.10	2.70
Diluted earnings per share, SEK	1.03	5.12	2.74	4.09	2.69



## Income statement, by Division - SEB Group

<b>Jan-Mar 2009, SEK m</b>	<b>Merchant Banking</b>	<b>Retail Banking</b>	<b>Wealth Management</b>	<b>Life *</b>	<b>Other incl eliminations</b>	<b>SEB Group</b>
Net interest income	2 919	2 651	198	- 10	146	5 904
Net fee and commission income	1 172	1 292	662		89	3 215
Net financial income	1 186	109	20		- 182	1 133
Net life insurance income				1 043	- 181	862
Net other income	115	35	1		165	316
<b>Total operating income</b>	<b>5 392</b>	<b>4 087</b>	<b>881</b>	<b>1 033</b>	<b>37</b>	<b>11 430</b>
Staff costs	-1 092	-1 284	- 344	- 274	-1 397	- 4 391
Other expenses	- 949	-1 408	- 292	- 126	937	-1 838
Depreciation of assets	- 25	- 69	- 30	- 165	- 726	-1 015
<b>Total operating expenses</b>	<b>-2 066</b>	<b>-2 761</b>	<b>- 666</b>	<b>- 565</b>	<b>-1 186</b>	<b>-7 244</b>
<b>Profit before credit losses etc</b>	<b>3 326</b>	<b>1 326</b>	<b>215</b>	<b>468</b>	<b>-1 149</b>	<b>4 186</b>
Gains less losses from tangible and intangible assets		2				2
Net credit losses	- 279	-1 963	- 8		- 136	-2 386
<b>Operating profit</b>	<b>3 047</b>	<b>- 635</b>	<b>207</b>	<b>468</b>	<b>-1 285</b>	<b>1 802</b>

\* Business result in Life amounted to SEK 579m (618), of which change in surplus values was net SEK 111m (250).

# 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.

## Profit and loss account

SEK m	Q1		Q4	Jan- Mar			Full year
	2009	2008	%	2009	2008	%	2008
Net interest income	2 919	2 613	12	2 919	1 525	91	7 414
Net fee and commission income	1 172	1 163	1	1 172	1 241	-6	5 248
Net financial income	1 186	1 813	-35	1 186	119		3 625
Net other income	115	341	-66	115	42	174	526
<b>Total operating income</b>	<b>5 392</b>	<b>5 930</b>	<b>-9</b>	<b>5 392</b>	<b>2 927</b>	<b>84</b>	<b>16 813</b>
Staff costs	-1 092	-954	14	-1 092	-964	13	-3 890
Other expenses	-949	-918	3	-949	-909	4	-3 594
Depreciation of assets	-25	-30	-17	-25	-22	14	-95
<b>Total operating expenses</b>	<b>-2 066</b>	<b>-1 902</b>	<b>9</b>	<b>-2 066</b>	<b>-1 895</b>	<b>9</b>	<b>-7 579</b>
<b>Profit before credit losses etc</b>	<b>3 326</b>	<b>4 028</b>	<b>-17</b>	<b>3 326</b>	<b>1 032</b>		<b>9 234</b>
Gains less losses on assets		1	-100		3	-100	5
Net credit losses	-279	-592	-53	-279	-27		-889
<b>Operating profit</b>	<b>3 047</b>	<b>3 437</b>	<b>-11</b>	<b>3 047</b>	<b>1 008</b>	<b>202</b>	<b>8 350</b>
Cost/Income ratio	0.38	0.32		0.38	0.65		0.45
Business equity, SEK bn	35.1	27.0		35.1	27.0		27.0
Return on equity, %	25.0	36.7		25.0	10.8		22.3
Number of full time equivalents	2 697	2 698		2 711	2 726		2 721

- High income based on strong earnings contributions from most businesses areas
- Low lending losses; good overall quality in credit portfolio
- Income growth reflecting strengthened relationships with core clients

### Comments on the first quarter

Merchant Banking continued to strengthen its franchise in the Nordic countries, gaining market share at the expense of international competitors that have become less active in the region as well as benefiting from the disappearance of several niche players. The deepened footprint is supported by various customer surveys and league table rankings.

Merchant Banking recorded its second highest ever quarterly income and profit, with strong contributions from most units, particularly trading and capital markets units and financing businesses. Volatile markets combined with ongoing de-leveraging in the global banking industry ensured high demand for Merchant Banking's products and services.

Total operating income increased by 84 per cent year-on-year, and was 28 per cent above the average quarter in 2008. Relative to income, cost increases were limited. Provisions for credit losses remained low and asset quality in general remained stable. Negative mark-to-market valuation effects within the investment portfolio (see page 4) amounted to SEK -454m (-872).

Within Trading and Capital Markets, activity remained high, particularly within fixed income, driven by improved turnover and large customer interest in restructuring interest rate risk exposures. Credit issuance increased,

although for many issuers, the bond markets remain effectively closed. As in the previous quarter, FX units performed well. Commissions remained at a lower level in Equities, although total income increased from the fourth quarter, reflecting more benign market conditions.

Equity capital markets activity was high as companies sought to strengthen balance sheets. SEB Enskilda was bookrunner and adviser in the completed rights issues by the SAS Group and Husqvarna AB, as well as the third largest secondary placing in Europe during 2009, placing shares in Danish shipping operator D/S Norden.

Within Corporate Banking, core customer activities was high with large numbers of bilateral client financings. New lending was more limited in specialised segments such as commercial real estate, leveraged lending and project finance, reflecting general market trends.

Global Transaction Services' revenues were relatively stable despite a more challenging operating environment. Increased volumes in traditional trade finance services helped offset the decline in cash management income caused by the low interest rate environment. Income from custody services was down somewhat due to declining stock market turnover. Assets under custody however rose slightly compared with year-end, to SEK 3,991bn (3,891bn).

# Retail Banking

The Retail Banking division consists of six business areas - Sweden, Germany, Estonia, Latvia, Lithuania and Card.

## Profit and loss account

SEK m	Q1			Q4			Jan- Mar			Full year 2008
	2009	2008	%	2009	2008	%	2009	2008	%	
Net interest income	2 651	2 845	-7	2 651	2 545	4	2 651	2 545	4	10 726
Net fee and commission income	1 292	1 400	-8	1 292	1 425	-9	1 292	1 425	-9	5 618
Net financial income	109	116	-6	109	95	15	109	95	15	396
Net other income	35	89	-61	35	21	67	35	21	67	222
<b>Total operating income</b>	<b>4 087</b>	<b>4 450</b>	<b>-8</b>	<b>4 087</b>	<b>4 086</b>	<b>0</b>	<b>4 087</b>	<b>4 086</b>	<b>0</b>	<b>16 962</b>
Staff costs	-1 284	-1 143	12	-1 284	-1 136	13	-1 284	-1 136	13	-4 557
Other expenses	-1 408	-1 480	-5	-1 408	-1 314	7	-1 408	-1 314	7	-5 489
Depreciation of assets	-69	-81	-15	-69	-76	-9	-69	-76	-9	-308
<b>Total operating expenses</b>	<b>-2 761</b>	<b>-2 704</b>	<b>2</b>	<b>-2 761</b>	<b>-2 526</b>	<b>9</b>	<b>-2 761</b>	<b>-2 526</b>	<b>9</b>	<b>-10 354</b>
<b>Profit before credit losses etc</b>	<b>1 326</b>	<b>1 746</b>	<b>-24</b>	<b>1 326</b>	<b>1 560</b>	<b>-15</b>	<b>1 326</b>	<b>1 560</b>	<b>-15</b>	<b>6 608</b>
Gains less losses on assets	2	2		2			2			2
Net credit losses	-1 963	-1 093	80	-1 963	-308		-1 963	-308		-2 359
<b>Operating profit</b>	<b>-635</b>	<b>655</b>	<b>-197</b>	<b>-635</b>	<b>1 252</b>	<b>-151</b>	<b>-635</b>	<b>1 252</b>	<b>-151</b>	<b>4 251</b>
Cost/Income ratio	0.68	0.61		0.68	0.62		0.68	0.62		0.61
Business equity, SEK bn	27.6	25.3		27.6	25.3		27.6	25.3		25.3
Return on equity, %	-8.2	7.2		-8.2	15.2		-8.2	15.2		12.7
Number of full time equivalents	8 431	8 580		8 438	8 647		8 438	8 647		8 765

- Operating profit of Retail Sweden and Card showing resilience
- Operations in the Baltic countries characterized by strong recessionary forces
- Impact of lower market interest rates feeding through into lower Net interest income

### Comments on the first quarter

The operating result for the first quarter amounted to SEK-635m (1,252). The results differed substantially between the various business areas.

Retail Banking in Sweden held up well during the first quarter. Income increased by 9 per cent compared with the first quarter of 2008, but decreased by 3 per cent compared with the previous quarter. Key driver behind the short-term trend was decreased deposit margin. Growth in mortgages continued, leading to a volume 8 per cent larger than a year earlier. Operating expenses decreased by 3 per cent compared with the fourth quarter in spite of significantly higher pension costs.

The resilience of operating profit can be attributed both to continued success in the SME-segment and to SEB's ability to attract mass affluent private clients. In terms of number of new clients within this segment, the first quarter of 2009 was the best quarter ever.

Operations in the Baltic countries continued to be characterized by strong recessionary forces. Provisions for credit losses in Estonia, Latvia and Lithuania increased to SEK 232m, 684m and 786m, respectively, in the first

quarter. To meet this, SEB has dedicated a substantial number of employees to advising customers affected by the economic crisis.

While lending exposure in the Baltic markets continued to decrease slightly, progress was made within such other product areas as long-term savings and cash solutions, payments and foreign exchange, contributing to a balanced business mix.

In Germany, profitability deteriorated from an already unsatisfactory level. Sales of insurance and consumer lending improved compared with the first quarter of 2008, but could not compensate for the substantial effect of lower market interest rates.

Within the Card business area income increased compared with the first quarter of 2008, reflecting the strong competitive position and the different industry dynamics of this business area. Due to credit losses, although lower than in the previous quarter, operating profit remained at the same level as in the first quarter of 2008.

# Wealth Management

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

## Profit and loss account

SEK m	Q1		Q4	Jan- Mar			Full year 2008
	2009	2008	%	2009	2008	%	
Net interest income	198	220	-10	198	248	-20	915
Net fee and commission income	662	1 125	-41	662	964	-31	3 702
Net financial income	20	26	-23	20	20		69
Net other income	1	11	-91	1	9	-89	49
<b>Total operating income</b>	<b>881</b>	<b>1 382</b>	<b>-36</b>	<b>881</b>	<b>1 241</b>	<b>-29</b>	<b>4 735</b>
Staff costs	-344	-351	-2	-344	-387	-11	-1 441
Other expenses	-292	-331	-12	-292	-293	0	-1 154
Depreciation of assets	-30	-29	3	-30	-24	25	-100
<b>Total operating expenses</b>	<b>-666</b>	<b>-711</b>	<b>-6</b>	<b>-666</b>	<b>-704</b>	<b>-5</b>	<b>-2 695</b>
<b>Profit before credit losses etc</b>	<b>215</b>	<b>671</b>	<b>-68</b>	<b>215</b>	<b>537</b>	<b>-60</b>	<b>2 040</b>
Gains less losses on assets							
Net credit losses	-8	-15	-47	-8	-25	-68	-18
<b>Operating profit</b>	<b>207</b>	<b>656</b>	<b>-68</b>	<b>207</b>	<b>512</b>	<b>-60</b>	<b>2 022</b>
Cost/Income ratio	0.76	0.51		0.76	0.57		0.57
Business equity, SEK bn	5.5	6.6		5.5	6.6		6.6
Return on equity, %	10.8	28.6		10.8	22.3		22.1
Number of full time equivalents	1 112	1 135		1 108	1 201		1 181

- Volatile stock markets and reduced asset values lowered base income
- Good net sales in both Institutional Clients and Private Banking

### Comments on the first quarter

The uncertainty on the global financial markets continued during the first quarter, resulting in declining asset values, reduced client brokerage activity and lower interest rates. Operating income dropped to SEK 881m (1,241), mainly as a result of a 10 per cent reduction in assets under management versus previous year and lower income from performance and transaction fees, at SEK 27m (183).

SEB is the second largest mutual fund manager in Sweden. During the first quarter net sales on the Swedish mutual funds market improved overall. SEB had a smaller share of the total net sales compared to 2008 and continued to dominate the alternative fund market with a net inflow of SEK 1.6bn.

The division's total assets under management fell by 1 per cent from year-end to SEK 1,128bn, primarily affected by lower asset values. Exchange rate effects and net sales of SEK 8bn (7) helped limit the decline in assets under management.

Investment performance improved during the first quarter, with 62 per cent (33) of portfolios and 40 per cent (29) of assets under management ahead of their respective benchmarks at the end of March.

Operating expenses decreased by 5 per cent, to SEK 666m.

Institutional Clients was affected by the declining asset values. Lower base commissions and limited performance fees were the main reasons for the drop in income. Institutional Clients reported continued strong net sales for the first quarter. Net sales amounted to SEK 19.4bn for the last 12 months. Product development has been a priority and new index funds and credit funds have been launched during the quarter. A family of so called strategic funds have been launched in order to offer an active asset allocation service based on the client's different risk profiles.

Private Banking generated net sales of SEK 4.7bn (5.8). In comparison with the previous quarter, sales improved due to a number of strategic efforts started in 2008; the launch of the modern investment programmes, the SEB Way transformation and closer co-operation with the Retail Banking division. Also Private Banking units in the Baltic region have been incorporated in the Private Banking figures as of 1 January 2009, with restated figures for 2008.

# Life

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

## Profit and loss account

SEK m	Q1			Q4			Jan- Mar			Full year 2008
	2009	2008	%	2009	2008	%	2009	2008	%	
Net interest income	- 10	- 4	150	- 10	- 16	- 38	- 10	- 16	- 38	- 36
Net life insurance income	1 043	739	41	1 043	954	9	1 043	954	9	3 296
<b>Total operating income</b>	<b>1 033</b>	<b>735</b>	<b>41</b>	<b>1 033</b>	<b>938</b>	<b>10</b>	<b>1 033</b>	<b>938</b>	<b>10</b>	<b>3 260</b>
Staff costs	- 274	- 292	- 6	- 274	- 262	5	- 274	- 262	5	- 1 105
Other expenses	- 126	- 117	8	- 126	- 148	- 15	- 126	- 148	- 15	- 523
Depreciation of assets	- 165	- 115	43	- 165	- 160	3	- 165	- 160	3	- 569
<b>Total operating expenses</b>	<b>- 565</b>	<b>- 524</b>	<b>8</b>	<b>- 565</b>	<b>- 570</b>	<b>- 1</b>	<b>- 565</b>	<b>- 570</b>	<b>- 1</b>	<b>- 2 197</b>
<b>Operating profit</b>	<b>468</b>	<b>211</b>	<b>122</b>	<b>468</b>	<b>368</b>	<b>27</b>	<b>468</b>	<b>368</b>	<b>27</b>	<b>1 063</b>
Change in surplus values, net	111	380	- 71	111	250	- 56	111	250	- 56	989
<b>Business result</b>	<b>579</b>	<b>591</b>	<b>- 2</b>	<b>579</b>	<b>618</b>	<b>- 6</b>	<b>579</b>	<b>618</b>	<b>- 6</b>	<b>2 052</b>
Cost/Income ratio	0.55	0.71		0.55	0.61		0.55	0.61		0.67
Business equity, SEK bn	6.8	7.5		6.8	7.5		6.8	7.5		7.5
Return on equity, %										
based on operating profit	24.2	9.9		24.2	17.3		24.2	17.3		12.5
based on business result	30.0	27.7		30.0	29.0		30.0	29.0		24.1
Number of full time equivalents	1 206	1 226		1 209	1 218		1 209	1 218		1 233

- Higher operating profit from recovery of past provisions related to traditional portfolios
- Costs were stable
- Total premium income increased by 7 per cent; higher sales in Sweden

### Comments on the first quarter

Operating profit increased by 27 per cent compared with the corresponding quarter last year. Unit-linked income dropped by 10 per cent, but the decline in unit-linked fund values and the transfer from equity-related funds to fixed income alternatives stopped during the quarter. Total fund values were at the same level as at year-end, but about 7 per cent below that of last year. The result from sickness insurance and care products was lower than last year, due to higher claims and lower investment income.

Provisions made in prior years to cover potential future guarantees in the traditional life portfolios in Sweden were partly recovered, totalling SEK 106m (-52). Such provisions are mainly market value-related and recoverable, if future investment returns are adequate to meet guaranteed bonus levels over time.

Operating expenses were at the same level as last year. Lower sales volumes, primarily in the Baltic countries, combined with the ongoing efforts to cut costs within all areas have contributed.

Unit-linked insurance remains the major product group, representing 79 per cent (77) of total sales. The share

of corporate pension decreased to 64 per cent (68) as a result of high volumes of Portfolio Bond and endowment policies in Sweden.

Total sales, weighted volume, decreased by 3 per cent and the share of regular premium contracts remained stable at about 80 per cent. Price pressure continues to be an issue in the corporate markets in Sweden and Denmark, which, combined with a higher volume of investment related products and lower total sales, had a negative effect on margins. The sales margin dropped to 17.2 per cent for the past twelve months compared with 18.6 per cent for the full year of 2008. In Sweden, sales increased by 5 per cent. In Denmark, sales dropped by 12 per cent while premiums paid increased somewhat. A recently announced tax reform has created some short-term uncertainty. Sales in the Baltic countries were 30 per cent lower than last year.

Total premium income increased by 7 per cent, to SEK 7.9bn (7.4). The total value of unit-linked funds was SEK 116bn compared with SEK 115bn at year-end. Total assets under management (net assets) decreased by 10 per cent, to SEK 347bn.

## Result by geography January-March 2009

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

- Improved results in the Nordic region in spite of worsened economic conditions
- 52 per cent of operating profit generated in Sweden
- Increased provisions for credit losses reduced operating profit in the Baltic countries

### Comments on the first quarter of 2009

The outlook for the global economy turned darker in the first quarter of 2009. This development affected SEB negatively in all geographic markets, although the underlying business remained strong in most areas.

In Sweden, operating income rose mainly as a result of a positive development for the Merchant Banking division and robust results in Retail and Life. Operating profit decreased, largely due to an impairment of goodwill for the Bank's investment in Ukraine. Nevertheless, Sweden accounted for the major part, or 52 per cent, of SEB's operating profit.

In Denmark, Finland and Norway, income generation was strong and operating profit increased, mainly due to a positive development of SEB's corporate banking business in these countries. Operating profit of SEB's life insurance business in Denmark was flat in local currency.

As the economic downturn in the Baltic region deepened, SEB increased the provisions for credit losses further in the first quarter of 2009. In spite of relatively robust operating income, the increased losses resulted in negative quarterly results in all three countries. The level of impaired loans in the Baltic countries was net 1.85 per cent and gross 2.88 per cent; in Estonia net 0.94 and gross 1.84 per cent, in Latvia net 1.57 and gross 2.41 per cent and in Lithuania net 2.25 and gross 3.47 per cent.

Operating profit of SEB in Germany increased as a result of positive development within Merchant Banking. Sales of consumer lending and insurance increased, but could not balance the decrease in Net interest income for Retail.

For Ukraine and Russia, see the text box below.

Distribution by country Jan - March	Total operating income			Total operating expenses			Operating profit		
	2009	2008	%	2009	2008	%	2009	2008	%
Sweden	5 663	5 096	11	-4 447	-3 384	31	931	1 693	-45
Norway	937	560	67	-306	-323	-5	559	177	
Denmark	801	604	33	-399	-356	12	357	225	59
Finland	372	281	32	-99	-152	-35	261	127	106
Germany	1 649	1 353	22	-1 366	-1 210	13	182	108	69
Estonia	370	328	13	-202	-137	47	-64	25	
Latvia	467	409	14	-209	-176	19	-426	195	
Lithuania	545	597	-9	-265	-232	14	-504	348	
Other countries and eliminations	626	-430		49	-57	-186	506	-488	
<b>Total</b>	<b>11 430</b>	<b>8 798</b>	<b>30</b>	<b>-7 244</b>	<b>-6 027</b>	<b>20</b>	<b>1 802</b>	<b>2 410</b>	<b>-25</b>

Write-down of goodwill for holdings in Ukraine effect operating expenses and profit with SEK 0,6 bn in Q1 2009.

Centralisation of CPM portfolios from US to Sweden effects operating income and profit with SEK 1,8 bn in Q4 2008.

### SEB in Ukraine and Russia

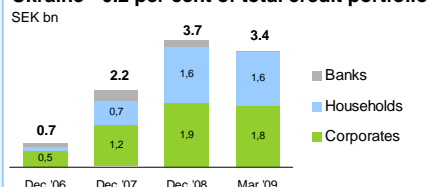
SEB's activities in Ukraine and Russia account for 0.2 per cent and 0.1 per cent, respectively, of SEB's credit portfolio. The macroeconomic situation necessitates increased provisioning and a cautious stance, particularly in Ukraine.

Following the acquisitions of Bank Agio in 2004 and Factorial Bank in 2007, SEB has 100,000 customers and 1,300 employees in Ukraine. The acquisitions were made to benefit from the long-term growth potential in, at the time, one of Europe's fastest growing markets. As the economic conditions worsened in 2008, underlined by a 30 per cent fall in GDP in the first two months of 2009, SEB's business

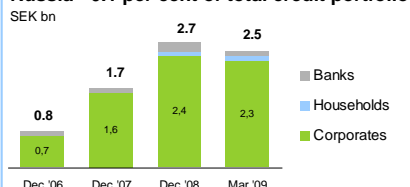
focus has changed and no further expansion is planned. Accordingly, the full acquisition goodwill, SEK 594m, has been impaired. At the end of March, credit exposure amounted to SEK 3.4bn, of which loans to the public SEK 2.7bn. The gross level of impaired assets was 1.4 per cent and the total reserve ratio 424 per cent. The net credit loss level increased to 12.4 per cent.

In Russia, SEB serves some 7,000 customers and has 150 employees. At the end of March, credit exposure amounted to SEK 2.5bn, of which SEK 2.3bn in loans to the public. The gross level of impaired loans was 1.8 per cent and the total reserve ratio 141 per cent. The net credit loss level was 7.8 per cent. Goodwill from acquisitions amount to SEK 80m.

#### Ukraine - 0.2 per cent of total credit portfolio



#### Russia - 0.1 per cent of total credit portfolio





# The SEB Group

## Net interest income SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2009	2008	%	2009	2008	%	2009	2008	%	2008
Interest income	19 966	25 156	-21	19 966	24 091	-17	19 966	24 091	-17	97 281
Interest expense	-14 062	-19 643	-28	-14 062	-19 868	-29	-14 062	-19 868	-29	-78 571
<b>Net interest income</b>	<b>5 904</b>	<b>5 513</b>	<b>7</b>	<b>5 904</b>	<b>4 223</b>	<b>40</b>	<b>5 904</b>	<b>4 223</b>	<b>40</b>	<b>18 710</b>

## Net fee and commission income – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2009	2008	%	2009	2008	%	2009	2008	%	2008
Issue of securities	35	27	30	35	7		35	7		172
Secondary market	559	444	26	559	758	-26	559	758	-26	2 769
Custody and mutual funds	1 345	1 931	-30	1 345	1 804	-25	1 345	1 804	-25	7 022
<b>Securities commissions</b>	<b>1 939</b>	<b>2 402</b>	<b>-19</b>	<b>1 939</b>	<b>2 569</b>	<b>-25</b>	<b>1 939</b>	<b>2 569</b>	<b>-25</b>	<b>9 963</b>
Payments	457	494	-7	457	439	4	457	439	4	1 844
Card fees	1 037	1 094	-5	1 037	1 032	0	1 037	1 032	0	4 300
<b>Payment commissions</b>	<b>1 494</b>	<b>1 588</b>	<b>-6</b>	<b>1 494</b>	<b>1 471</b>	<b>2</b>	<b>1 494</b>	<b>1 471</b>	<b>2</b>	<b>6 144</b>
Advisory	177	327	-46	177	289	-39	177	289	-39	1 118
Lending	335	291	15	335	185	81	335	185	81	1 004
Deposits	28	26	8	28	23	22	28	23	22	98
Guarantees	95	85	12	95	67	42	95	67	42	301
Derivatives	159	197	-19	159	113	41	159	113	41	601
Other	171	124	38	171	176	-3	171	176	-3	648
<b>Other commissions</b>	<b>965</b>	<b>1 050</b>	<b>-8</b>	<b>965</b>	<b>853</b>	<b>13</b>	<b>965</b>	<b>853</b>	<b>13</b>	<b>3 770</b>
<b>Fee and commission income</b>	<b>4 398</b>	<b>5 040</b>	<b>-13</b>	<b>4 398</b>	<b>4 893</b>	<b>-10</b>	<b>4 398</b>	<b>4 893</b>	<b>-10</b>	<b>19 877</b>
Securities commissions	-233	-228	2	-233	-241	-3	-233	-241	-3	-970
Payment commissions	-639	-641	0	-639	-585	9	-639	-585	9	-2 450
Other commissions	-311	-381	-18	-311	-266	17	-311	-266	17	-1 203
<b>Fee and commission expense</b>	<b>-1 183</b>	<b>-1 250</b>	<b>-5</b>	<b>-1 183</b>	<b>-1 092</b>	<b>8</b>	<b>-1 183</b>	<b>-1 092</b>	<b>8</b>	<b>-4 623</b>
Securities commissions, net	1 706	2 174	-22	1 706	2 328	-27	1 706	2 328	-27	8 993
Payment commissions, net	855	947	-10	855	886	-3	855	886	-3	3 694
Other commissions, net	654	669	-2	654	587	11	654	587	11	2 567
<b>Net fee and commission income</b>	<b>3 215</b>	<b>3 790</b>	<b>-15</b>	<b>3 215</b>	<b>3 801</b>	<b>-15</b>	<b>3 215</b>	<b>3 801</b>	<b>-15</b>	<b>15 254</b>

## Net financial income – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2009	2008	%	2009	2008	%	2009	2008	%	2008
Equity instruments and related derivatives	95	449	-79	95	171	-44	95	171	-44	1 415
Debt instruments and related derivatives	58	111	-48	58	-1 164	-105	58	-1 164	-105	-1 059
Currency-related	1 041	1 227	-15	1 041	832	25	1 041	832	25	3 076
Other financial instruments	3	21	-86	3			3			12
Impairments	-64	-85		-64			-64			-474
<b>Net financial income</b>	<b>1 133</b>	<b>1 723</b>	<b>-34</b>	<b>1 133</b>	<b>-161</b>		<b>1 133</b>	<b>-161</b>		<b>2 970</b>

## Net credit losses - Group

SEK m	Q1		Q4		Jan - Mar			Full year
	2009	2008	%		2009	2008	%	2008
<i>Provisions:</i>								
Net collective provisions for individually assessed loans	- 902	- 628	44		- 902	- 68		- 712
Net collective provisions for portfolio assessed loans	- 432	- 256	69		- 432	- 44		- 591
Specific provisions	- 912	- 788	16		- 912	- 190		-1 718
Reversal of specific provisions no longer required	190	142	34		190	44		336
Net provisions for contingent liabilities	- 151	- 36			- 151	1		- 56
<b>Net provisions</b>	<b>-2 207</b>	<b>-1 566</b>	<b>41</b>		<b>-2 207</b>	<b>- 257</b>		<b>-2 741</b>
<i>Write-offs:</i>								
Total write-offs	- 291	- 464	-37		- 291	- 332	-12	-1 428
Reversal of specific provisions utilized for write-offs	79	210	-62		79	201	-61	699
Write-offs not previously provided for	- 212	- 254	-17		- 212	- 131	62	- 729
Recovered from previous write-offs	33	117	-72		33	24	38	239
<b>Net write-offs</b>	<b>- 179</b>	<b>- 137</b>	<b>31</b>		<b>- 179</b>	<b>- 107</b>	<b>67</b>	<b>- 490</b>
<b>Net credit losses</b>	<b>-2 386</b>	<b>-1 703</b>	<b>40</b>		<b>-2 386</b>	<b>- 364</b>		<b>-3 231</b>

## Balance sheet – SEB Group

<b>Condensed SEK m</b>	<b>31 March 2009</b>	<b>31 December 2008</b>	<b>31 March 2008</b>
Cash and cash balances with central banks	18 929	44 852	17 728
Loans to credit institutions	284 096	266 363	308 822
Loans to the public	1 317 189	1 296 777	1 098 597
Financial assets at fair value *	639 483	635 454	694 111
Available-for-sale financial assets *	105 011	163 115	196 848
Held-to-maturity investments *	1 236	1 997	1 868
Investments in associates	1 152	1 129	1 314
Tangible and intangible assets	29 965	29 511	25 452
Other assets	63 167	71 504	53 823
<b>Total assets</b>	<b>2 460 228</b>	<b>2 510 702</b>	<b>2 398 563</b>
Deposits by credit institutions	401 471	429 425	455 707
Deposits and borrowing from the public	835 603	841 034	764 567
Liabilities to policyholders	210 939	211 070	213 046
Debt securities	495 782	525 219	499 622
Financial liabilities at fair value	276 325	295 533	256 961
Other liabilities	89 051	71 565	87 273
Provisions	2 020	1 897	1 338
Subordinated liabilities	50 081	51 230	42 990
Total equity	98 956	83 729	77 059
<b>Total liabilities and equity</b>	<b>2 460 228</b>	<b>2 510 702</b>	<b>2 398 563</b>
* Of which bonds and other interest bearing securities inclusive derivatives.	567 980	628 675	675 521

## Memorandum items – SEB Group

<b>SEK m</b>	<b>31 March 2009</b>	<b>31 December 2008</b>	<b>31 March 2008</b>
Collateral and comparable security pledged for own liabilities	379 334	375 227	388 200
Other pledged assets and comparable collateral	168 276	152 142	240 060
Contingent liabilities	92 145	86 675	63 621
Commitments	440 504	416 533	443 059

## Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Shareholder's equity	Minority interests	Total Equity
<b>Jan-Mar 2009</b>									
Opening balance	6 872	75 949	-225	-3 062	1 767	2 236	<b>83 537</b>	192	<b>83 729</b>
Net profit		1 025					<b>1 025</b>	2	<b>1 027</b>
Other comprehensive income (net of tax)			-248	-153	-67	50	<b>-418</b>	13	<b>-405</b>
Total comprehensive income		1 025	-248	-153	-67	50	<b>607</b>	15	<b>622</b>
Rights issue	15 070	-564					<b>14 506</b>		<b>14 506</b>
Swap hedging of employee stock option programme*		98					<b>98</b>		<b>98</b>
Eliminations of repurchased shares for employee stock option programme**		1					<b>1</b>		<b>1</b>
<b>Closing balance</b>	<b>21 942</b>	<b>76 509</b>	<b>-473</b>	<b>-3 215</b>	<b>1 700</b>	<b>2 286</b>	<b>98 749</b>	<b>207</b>	<b>98 956</b>

<b>Jan-Dec 2008</b>									
Opening balance	6 872	70 149	-377	-438	160	162	<b>76 528</b>	191	<b>76 719</b>
Net profit		10 041					<b>10 041</b>	9	<b>10 050</b>
Other comprehensive income (net of tax)			152	-2 624	1 607	2 074	<b>1 209</b>	-8	<b>1 201</b>
Total recognised income		10 041	152	-2 624	1 607	2 074	<b>11 250</b>	1	<b>11 251</b>
Dividend to shareholders		-4 451					<b>-4 451</b>		<b>-4 451</b>
Swap hedging of employee stock option programme*		27					<b>27</b>		<b>27</b>
Eliminations of repurchased shares for employee stock option programme**		183					<b>183</b>		<b>183</b>
<b>Closing balance</b>	<b>6 872</b>	<b>75 949</b>	<b>-225</b>	<b>-3 062</b>	<b>1 767</b>	<b>2 236</b>	<b>83 537</b>	<b>192</b>	<b>83 729</b>

<b>Jan-Mar 2008</b>									
Opening balance	6 872	70 149	-377	-438	160	162	<b>76 528</b>	191	<b>76 719</b>
Net profit		1 847					<b>1 847</b>	1	<b>1 848</b>
Other comprehensive income (net of tax)			-228	-1 189	-69	-174	<b>-1 660</b>	-16	<b>-1 676</b>
Total recognised income		1 847	-228	-1 189	-69	-174	<b>187</b>	-15	<b>172</b>
Swap hedging of employee stock option programme*		54					<b>54</b>		<b>54</b>
Eliminations of repurchased shares for employee stock option programme**		114					<b>114</b>		<b>114</b>
<b>Closing balance</b>	<b>6 872</b>	<b>72 164</b>	<b>-605</b>	<b>-1 627</b>	<b>91</b>	<b>-12</b>	<b>76 883</b>	<b>176</b>	<b>77 059</b>

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

\* As of 31 December 2008 SEB owned 2.2 million Class A shares for the employee stock option programme. The acquisition cost for these shares is deducted from shareholders' equity. During 2009 0.1 million net of these shares have been sold as employee stock options have been exercised. Thus, as of 31 March 2009 SEB owned 2.1 million Class A-shares with a market value of SEK 55m for hedging of the long-term incentive programmes.

## Cash flow statement – SEB Group

SEK m	Jan - Mar			Full year 2008
	2009	2008	%	
Cash flow from operating activities	- 55 194	- 63 253	- 13	- 16 441
Cash flow from investment activities <sup>1)</sup>	- 620	- 1 214	- 49	- 6 050
Cash flow from financing activities	13 069	28 104	- 53	2 653
<b>Net increase in cash and cash equivalents</b>	<b>- 42 745</b>	<b>- 36 363</b>	<b>18</b>	<b>- 19 838</b>
Cash and cash equivalents at beginning of year	175 147	194 985	- 10	194 985
Net increase in cash and cash equivalents	- 42 745	- 36 363	18	- 19 838
<b>Cash and cash equivalents at end of period<sup>2)</sup></b>	<b>132 402</b>	<b>158 622</b>	<b>- 17</b>	<b>175 147</b>

1) Including investments in subsidiaries

Cost of acquisitions

- 708 - 100 - 1 040

Less cash acquired

**Outflow on acquisition**

**- 708 - 100 - 1 040**

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

## Reclassified portfolios - SEB Group

	Q1			Q4			Jan - Mar			Full year
	2009	2008	%	2009	2008	%	2009	2008	%	
<b>Reclassified, SEB bn</b>										
Opening balance	107	99	8				107			
Reclassified	52						52			95
Amortisations	-2	-3	-33				-2			-4
Securities sold	-2						-2			
Accrued coupon	1	1					1			2
Translation difference	1	10	-90				1			14
<b>Closing balance*</b>	<b>157</b>	<b>107</b>	<b>47</b>				<b>157</b>			<b>107</b>
* Market value	147	100					147			100
<b>Fair value impact - if not reclassified, SEK m</b>										
In Equity (AFS origin)	-3 206	-3 753	-15				-3 206			-5 252
In Income Statement (HFT origin)	-318	-1 163	-73				-318			-1 623
<b>Total</b>	<b>-3 524</b>	<b>-4 916</b>	<b>-28</b>				<b>-3 524</b>			<b>-6 875</b>
<b>Effect in Income Statement, SEK m*</b>										
Net interest income	1 371	980	40				1 371			1 959
Net financial income	1 276	9 945	-87				1 276			13 699
Other income	205						205			
<b>Total</b>	<b>2 852</b>	<b>10 925</b>	<b>-74</b>				<b>2 852</b>			<b>15 658</b>

\* Total impact in Income statement for the reclassified portfolios, including impact even if reclassification had not been done.

As of 1 January 2009 SEB reclassified SEK 47bn in the AFS and SEK 5bn in the HFT categories as L&R.

Assets held for trading, no longer held for the purpose of selling in the near term, were reclassified based on the Group's view that the deterioration of the financial markets represent the rare circumstance required for such reclassification. The Group had the intention and ability to hold reclassified available for sale assets for the foreseeable future or until maturity.

The Group estimates to recover the principal amounts (undiscounted cash flows) of SEK 1 bn within 1-2 years, SEK19 bn within 2-5 years and SEK 33bn after 5 years. The SEK 52 bn reclassified assets have floating rate and fixed rate coupons. The effective interest rate spreads for floating rate financial assets were between 0.25 and 1.90 per cent above interbank offered rates. The effective interest rate on fixed-coupon reclassified assets were between 3.0 and 6.0 per cent.

## Impaired loans – SEB Group

SEK m	31 March 2009	31 December 2008	31 March 2008
<b>Individually assessed loans</b>			
Non-performing impaired loans	11 928	10 463	6 543
Performing impaired loans	1 054	948	778
<b>Total impaired loans</b>	<b>12 982</b>	<b>11 411</b>	<b>7 321</b>
Reserves for non-performing loans	- 5 179	- 4 679	- 3 372
Reserves for performing loans	- 429	- 343	- 297
<b>Total specific reserves</b>	<b>- 5 608</b>	<b>- 5 022</b>	<b>- 3 669</b>
Collective reserves for individually assessed loans	- 3 685	- 2 793	- 1 963
<b>Total reserves</b>	<b>- 9 293</b>	<b>- 7 815</b>	<b>- 5 632</b>
Specific reserve ratio for individually assessed impaired loans	43,2%	44,0%	50,1%
Total reserve ratio for individually assessed impaired loans	71,6%	68,5%	76,9%
Net level of impaired loans	0,46%	0,41%	0,26%
Gross level of impaired loans	0,81%	0,73%	0,52%

## Portfolio assessed loans

Loans past due > 60 days	3 841	2 500	1 232
Collective reserves for portfolio assessed loans	- 1 847	- 1 404	- 740
Reserve ratio for portfolio assessed loans	48,1%	56,2%	60,1%

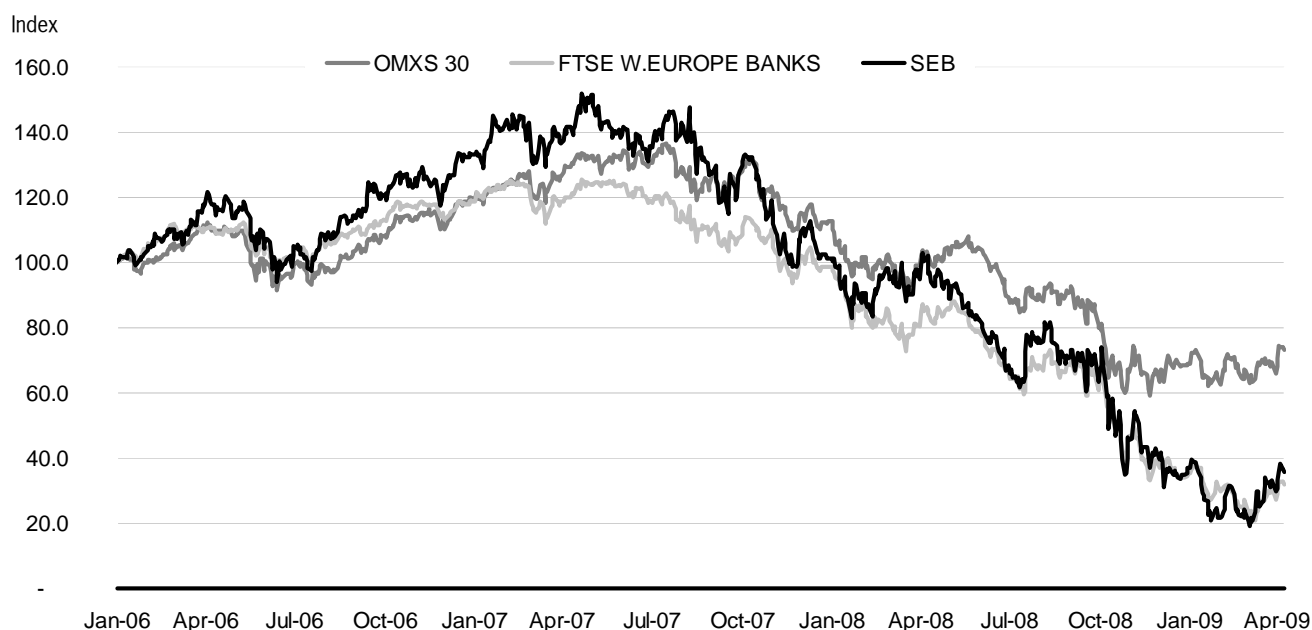
## Reserves

Specific reserves	- 5 608	- 5 022	- 3 669
Collective reserves	- 5 532	- 4 197	- 2 703
Reserves for off-balance sheet items	- 407	- 251	- 202
<b>Total reserves</b>	<b>- 11 547</b>	<b>- 9 470</b>	<b>- 6 574</b>

## Seized assets – SEB Group

SEK m	31 March 2009	31 December 2008	31 March 2008
Properties	311	30	24
Shares	50	106	50
<b>Total volume of pledges taken over</b>	<b>361</b>	<b>136</b>	<b>74</b>

## The SEB share



## Rating

Moody's Outlook Negative (April 2009)		Standard & Poor's Outlook Negative (March 2009)		Fitch Outlook Stable (February 2009)		DBRS Outlook Stable (February 2009)	
Short	Long	Short	Long	Short	Long	Short	Long
P-1	Aaa	A-1+	AAA	F1+	AAA	R-1 (high)	AAA
P-2	Aa1	<b>A-1</b>	AA+	<b>F1</b>	AA+	<b>R-1 (middle)</b>	AA (high)
P-3	Aa2	A-2	AA	F2	AA	R-1 (low)	AA
	Aa3	A-3	AA-	F3	AA-	R-2 (high)	<b>AA (low)</b>
	<b>A1</b>		A+		<b>A+</b>	R-2 (middle)	A
	A2		<b>A</b>		A	R-2 (low)	BBB
	A3		A-		A-	R-3	BB
	Baa1		BBB+		BBB+	R-4	B
	Baa2		BBB		BBB	R-5	CCC CC C
	Baa3		BBB-		BBB-	D	D

## SEB's major shareholders

March 2009	Share of capital, per cent
Investor AB	20,7
Trygg Foundation	9,6
Alecta	5,3
Swedbank/ Robur Funds	3,9
AFA Försäkring entities	2,7
SEB Funds	2,3
4th AP Fund	1,8
2nd AP Fund	1,8
Capital Group Funds	1,6
Wallenberg-foundations	1,5

Foreign owners 19,4

Source: Euroclear Sweden/SIS Ägarservice