

Interim report January - March 2010

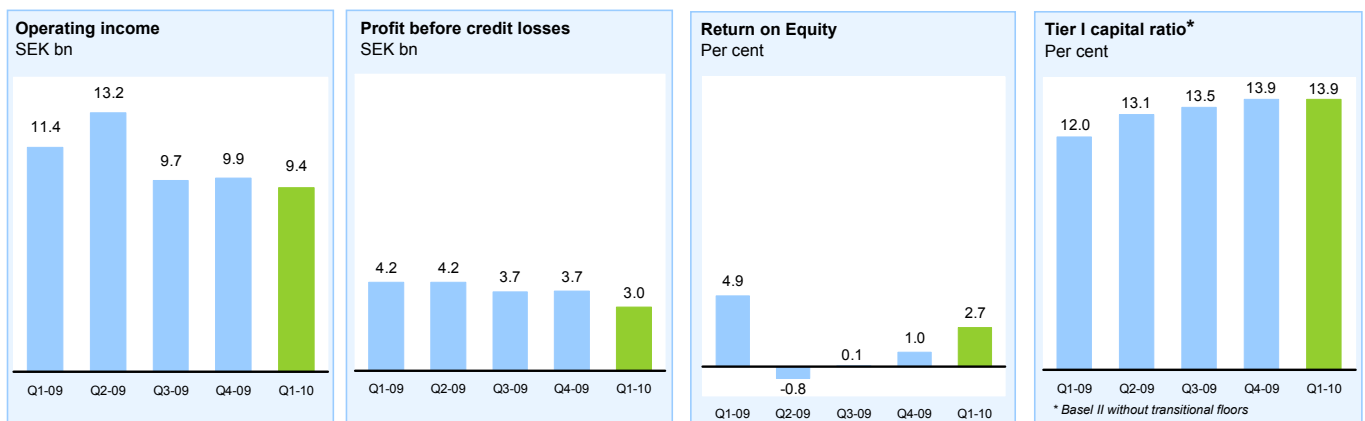
STOCKHOLM 28 APRIL 2010

The first quarter of 2010 – operating profit SEK 1.1bn (1.8)

- Operating profit amounted to SEK 1,075m (1,802) and net profit to SEK 689m (1,027). In comparison with the previous quarter, operating profit improved by 91 per cent due to lower provisions for credit losses.
- Profit before provisions for credit losses amounted to SEK 3,005m (4,186), a decrease of 28 per cent compared with the first quarter of 2009 and by 20 per cent from the previous quarter.
- Operating income decreased by 18 per cent compared with the first quarter of 2009 and by 5 per cent from the previous quarter. Net interest income grew by 5 per cent during the quarter and was 34 per cent lower than the first quarter of last year. Net fee and commission income was 10 per cent lower than the previous quarter and rose by 8 per cent in comparison with the first quarter 2009.
- Operating expenses fell by 4 per cent compared with the first quarter of 2009, adjusted for goodwill impairment charges of SEK 0.6bn last year, and increased by 4 per cent from the previous quarter.
- Provisions for credit losses were SEK 1,926m (2,386); the credit loss level 0.50 per cent (0.70). Impaired loans decreased by 8 per cent.
- Return on equity was 2.7 per cent (4.9) and earnings per share SEK 0.31 (1.03).
- The core Tier 1 capital ratio was 11.7 per cent and the Tier 1 capital ratio 13.9 per cent.
- SEB further strengthened its leading market position in areas such as wholesale banking and life insurance. Activity levels were high with strong sales in Private Banking, Asset Management and Life. Overall corporate credit demand remained low.

“SEB recorded a solid result given the slowly recovering macro-economic climate. SEB’s strong financial position enables us to fully focus on the customer business. We are enhancing the long-term platform through investments in professionals, IT infrastructure and customer offerings.”

Annika Falkengren



President's comment

After the market turbulence and negative GDP development over the past two years, the world economy has turned. However, it is a fragile recovery as evident in the first quarter when the difficult situation for Greece came to again distress the capital markets. While the overall stabilisation has spurred a recovery in the equity markets, leading to much higher asset valuations, corporate demand for new credit is still holding back.

With the fortress balance sheet created last year, we can continue to further deepen our customer relationships and are now in a position to invest in our strong corporate franchise.

Solid results in present macro-economic climate

SEB recorded a solid result given the slowly recovering macro-economic climate. Pre-provision profit amounted to SEK 3bn reflecting a continued low activity level among our corporate customers. Net interest income improved from last quarter. Credit provisioning decreased in line with SEB's Baltic asset quality improvement. Operating profit amounted to SEK 1.1bn, up 91 per cent in the quarter.

Corporate activity still low

The low interest rate environment and the low corporate demand for credit impacted net interest income within Merchant Banking negatively. Client activities within the capital markets were low. Over the year, we expect an increase in corporate credit demand as the economic recovery stabilises. Increased corporate order books will require additional working capital and existing facilities will come up for renewal. Transaction volumes in the card business were seasonally low as always in the first quarter. SEB continued to attract new corporate customers in the SME segment in Sweden.

Strong sales in long-term savings

Our savings businesses within Wealth Management and Life benefited from the continued positive sentiment in the equity markets. Customers have been attracted by SEB's open architecture and modern investment programmes and have been quick to reallocate portfolios. The Life division recorded its best quarterly profit ever. Wealth Management continued to attract strong net inflows with total net sales, driven by our market leading equities-based savings products, amounting to SEK 19bn in the quarter. This was the second strongest quarter in net sales over the past three years.



Gradual stabilisation in the Baltic economies

Following the in-depth review of all credits in 2009, we remain confident in our Baltic asset quality and work-out strategy. The lower provision for Baltic credit losses, SEK 1.4bn compared to SEK 2.6bn in the previous quarter, also mirrors the overall stabilisation in the region. However, the Baltic economic development is still feeble and we maintain our conservative stance in line with our actions throughout the crisis. We expect provisions for credit losses not to exceed SEK 5bn in 2010.

Asset quality in Sweden, the other Nordic countries and in Germany remained stable. In Sweden, the credit loss level in our corporate credit portfolio amounted to only 0.08 per cent. Loan to value in the mortgage portfolio is on average below 50 per cent and for only 5 percent of the portfolio loan to value exceed 75 per cent.

Implications of Basel III framework still unclear

The industry is still working through the implications of the so-called 'Basel III' rules. SEB is heavily engaged in the dialogue around the proposed rules, in order both to increase our understanding but also to influence how the rules will be implemented. With a core Tier 1 capital ratio of 11.7 per cent and matched-funding above 18 months, SEB is ready to face the prolonged uncertainty that will doubtlessly surround the new rules.

Customer excellence the driver for growth

SEB is a relationship bank with a strong and unique franchise in the Nordic corporate market.

The strong financial position that we built over the past year enables us to invest in further growth in the Nordic and German wholesale market as well as in the Swedish SME segment. In Sweden, we continue to launch several activities to further improve customer offerings through easy and accessible services.

I am confident that we can develop SEB in our chosen strategic direction – to build a truly customer-oriented bank helping individuals and businesses thrive by providing quality advice and financial resources.

The Group

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

SEB's *profit before provisions for credit losses* for the first quarter amounted to SEK 3,005m (4,186), a decrease of 28 per cent compared with the corresponding quarter of 2009 and down 20 per cent from the previous quarter.

The first quarter of 2009 included goodwill impairment charges related to Ukraine, while the fourth quarter included a capital gain on repurchased subordinated debt. In order to facilitate comparisons, income and costs have been adjusted in the table below. No one-offs are included in the result for the first quarter of 2010.

Operative income statement SEK m	Q1 2010	Q4 2009	%	Q1 2009	%
Operating income	9 372	9 604	-2	11 430	-18
Operating expenses	-6 367	-6 126	4	-6 650	-4
Pre-provision profit	3 005	3 478	-14	4 780	-37
Gains less losses on disposals of tangible and intangible assets	-4	-24	-83	2	
Net credit losses	-1 926	-3 160	-39	-2 386	-19
Operating profit ongoing business	1 075	294		2 396	-55
Capital gains		270			
Goodwill impairment				-594	
Operating profit	1 075	564	91	1 802	-40

Operating profit amounted to SEK 1,075m (1,802), a decrease of 40 per cent compared with the corresponding quarter of 2009. In comparison with previous quarter, operating profit improved by 91 per cent due to lower credit loss provisioning.

Net profit (after tax) was SEK 689m (1,027).

Income

Total operating income amounted to SEK 9,372m (11,430). This was a decrease of approximately SEK 2.1bn or 18 per cent compared with the first quarter of last year. In comparison with the last quarter of 2009, operating income, adjusted for the capital gain, dropped by 2 per cent.

Net interest income, at SEK 3,875m (5,904), was 34 per cent lower than in the corresponding quarter of 2009, mainly due to increased costs for the extended funding duration in 2009 and lower return on the bond investment portfolio. In comparison with the previous quarter net interest income was up by 5 per cent as the net cost for excess liquidity was lower in the quarter.

Customer-driven net interest income dropped by SEK 715m on a twelve-month basis and by SEK 196m from the

previous quarter due to lower volumes and falling deposit margins. Both volume and margin contributions were negative at SEK 41m and SEK 155m, respectively.

Net interest income from other activities, mainly the bond investment portfolio as well as other trading and treasury activities, was down by SEK 1,314m compared with the corresponding quarter of 2009 and up by SEK 374m from the previous quarter.

Net interest income also included a cost of SEK 75m (75) for the charge related to the Swedish stability fund.

Net fee and commission income rose by 8 per cent, to SEK 3,483m (3,215) as an effect of increased securities commissions and higher asset under management and custody values. In comparison with previous quarter, commission income dropped by 10 per cent due to limited corporate finance income and seasonally lower turnover in the card business.

Net financial income was down by 16 per cent, to SEK 950m (1,133), partly due to lower income from foreign exchange. The valuation gain in the investment portfolio was SEK 82m (-440) over the income statement. Compared with the previous quarter, net financial income rose by 2 per cent, mainly as an effect of positive portfolio valuation.

Net life insurance income rose by 2 per cent, to SEK 879m (862). The improvement was mainly due to higher asset values. In comparison with the previous quarter, life insurance income was down by 6 per cent.

Net other income amounted to SEK 185m (316), a decrease of 41 per cent compared with the corresponding quarter of 2009 and 57 per cent down from the previous quarter, which included a capital gain of SEK 270m from the above-mentioned debt buy-back.

Expenses

Total operating expenses amounted to SEK 6,367m (7,244). Excluding goodwill impairment charges in the first quarter of 2009, total expenses decreased by 4 per cent, while they were up 4 per cent from the previous quarter.

Staff costs decreased by 12 per cent compared with the corresponding quarter last year due to a decreased number of employees as well as lower cost for redundancies and pensions. The quarterly average number of full time equivalents decreased by 1,624, to 19,032 (20,656). Excluding temporary staff, the number of staff has dropped by 1,581 year-on-year, of which 397 in Sweden, 266 in Germany, 504 in the Baltic countries, 311 in Ukraine and 103 in other countries.

Compared with the previous quarter, staff costs rose by 21 per cent after the reversal of variable salaries in the fourth quarter of 2009.

Other expenses amounted to SEK 2,090m (1,838), including investments in IT development. In comparison with the previous quarter, other expenses decreased by 15 per cent, reflecting lower market activities.

Provisions for credit losses

Provisions for credit losses decreased by 19 per cent, or SEK 460m, to SEK 1,926m (2,386), leading to a credit loss level of 0.50 per cent (0.70). In comparison with the previous quarter, SEB's net credit losses were almost halved.

Provisions for credit losses in the Baltic region amounted to SEK 1,431m (1,702), 74 per cent of the Group's net credit losses, corresponding to a credit loss level of 4.12 per cent (3.86). In Sweden, provisions for credit losses amounted to SEK 192m (215), in the other Nordic countries to SEK 81m (129) and in Germany to SEK 154m (101).

Individually assessed impaired loans decreased by SEK 1,703m, or 8 per cent, to SEK 19,621m during the quarter. The quarterly decrease in the Baltic region was SEK 882m, or 6 per cent. The appreciation of the Swedish krona by 5 per cent to the Euro mainly explains the lower numbers. The gross level of impaired loans in the Baltic countries was 9.55 per cent (9.39). The Group's total reserve ratio for individually assessed impaired loans increased to 77.0 per cent compared with 69.5 per cent at year-end 2009.

The Group's *past due portfolio assessed loans* rose by SEK 211m, or 3 per cent, to SEK 7,148m during the quarter. The quarterly increase in the Baltic region was SEK 209m, or 5 per cent. In addition, SEK 138m of the Baltic household loans were restructured during the quarter, bringing the total to SEK 450m at the end of March.

The total NPL coverage ratio increased to 70.3 per cent from 64.9 per cent as a result of falling non-performing loans and collective provisions to cater for the fragility of the Baltic economic recovery.

Tax costs

Total tax amounted to SEK 386m (781), corresponding to a total tax rate of 36 per cent.

Business volumes

The Group's total balance sheet was SEK 2,285bn as per 31 March, a decrease of one per cent since year-end 2009. Lending to the public was virtually unchanged, while deposits from the public were 8 per cent lower.

SEB's total credit portfolio decreased by 4 per cent, to SEK 1,741bn (1,816 at year-end), mainly due to less lending to banks. The credit portfolio for the Baltic countries decreased by 9 per cent, year-on-year.

SEB's total net positions in fixed-income securities for investment, treasury and client trading purposes increased to SEK 285bn (262) excluding excess liquidity invested in certificates issued by the Swedish Central Bank.

As of 31 March 2010, assets under management amounted to SEK 1,382bn (1,356 at year-end 2009). Net inflow during the period was SEK 21bn (9), while the change in value was SEK 5bn (-23). Assets under custody amounted to SEK 5,127bn (4,853).

Bond investment portfolio

As at 31 March, the bond investment portfolio of Merchant Banking had decreased to SEK 80bn from SEK 122bn a year earlier in line with the plan to reduce the holdings through amortisations and limited sales. 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. The risk for impairment charges has increased in the structured credits portfolio but is deemed unlikely to be material.

Market risk

During the first quarter of 2010, the Group's Value at Risk in the trading operations averaged SEK 206m (193 during the calendar year 2009). 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. (Further information in Appendix 3.)

Liquidity and funding

SEB's loan-to-deposit ratio, excluding reclassified bond portfolios, was 156 per cent (141 at year-end 2009), mainly as a result of repo volumes. Due to the extension of funding duration in 2009, bond issuance during the quarter has been limited to SEK 9bn. On 31 March, the matched funding of net cash inflows and outflows remained above 18 months.

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

Capital position

SEB has maintained stable and strong capital ratios. As of 31 March 2010, all capital ratios were unchanged: the core Tier 1 capital ratio at 11.7 per cent, the Tier 1 capital ratio at 13.9 per cent and the total capital ratio at 14.7 per cent. The Group's Basel II risk weighted assets (RWA) amounted to SEK 723bn (730).

Adjusted for the supervisory transitional rules during the first Basel II years, SEB reports RWA of SEK 812bn (795), a Tier 1 capital ratio of 12.4 per cent (12.8) and a total capital ratio of 13.1 per cent (13.5).

Capital adequacy details are found on pp 24-27.

Risks and uncertainties

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

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

Rating

In February 2010, Standard & Poor's changed its outlook from negative to stable and affirmed SEB's long-term A rating. Also Fitch has a stable outlook for SEB, while Moody's still has a negative outlook.

Stockholm, 28 April 2010

Annika Falkengren

President and Chief Executive Officer

The President declares that the interim report for January-March 2010 provides a fair overview of the Parent Company's and Group's operations, their financial position and results and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

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

Appendix 1	Division Life
Appendix 2	Credit exposure
Appendix 3	Market risk
Appendix 4	P&L by division, business area and quarter
Appendix 5	P&L by geography and quarter

Financial information during 2010

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

Further information is available from

Jan Erik Back, Chief Financial Officer

Tel: +46 8 22 19 00

Ulf Grunnesjö, Head of Investor Relations

Tel. + 46 8 763 85 01, +46 70 763 85 01

Annika Halldin, Senior Financial Information Officer

Tel. +46 8 763 85 60, +46 70 379 00 60

Viveka Hirdman-Ryrberg, Head of Corporate Communications

Tel. +46 8 763 8577, +46 70 550 35 00

Skandinaviska Enskilda Banken AB (publ)

SE-106 40 Stockholm, Sweden

Telephone: +46 771 62 10 00

www.sebgroup.com

Corporate organisation number: 502032-9081

Press conference and web cast

The press conference at 10.30 (CEST) on 28 April 2010 at Kungsträdgårdsgatan 8 with CEO Annika Falkengren can be followed live in Swedish on www.sebgroup.se/ir and translated into English on www.sebgroup.com/ir. It will also be available afterwards.

Access to telephone conference and video web cast

The telephone conference at 15.00 (CEST) on 28 April 2010 with CEO Annika Falkengren and CFO Jan Erik Back can be accessed by telephone, +44 (0) 20 7162 0025, please quote conference id: 862973, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com/ir.

Accounting policies

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

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

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

As from 2010 two changes have been introduced in the

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

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

Review report

We have reviewed this report for the period 1 January to 31 March 2010 for Skandinaviska Enskilda Banken AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 28 April 2010

PricewaterhouseCoopers AB

Peter Clemedtson
Authorised Public Accountant
Partner in charge

The SEB Group

Income statement – SEB Group

Condensed SEK m	Q1			Q4			Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Net interest income	3 875	3 697	5				3 875	5 904	-34	19 490
Net fee and commission income	3 483	3 877	-10				3 483	3 215	8	14 460
Net financial income	950	935	2				950	1 133	-16	4 485
Net life insurance income	879	932	-6				879	862	2	3 597
Net other income	185	433	-57				185	316	-41	2 181
Total operating income	9 372	9 874	-5				9 372	11 430	-18	44 213
Staff costs	-3 865	-3 186	21				-3 865	-4 391	-12	-15 574
Other expenses	-2 090	-2 473	-15				-2 090	-1 838	14	-8 128
Depreciation, amortisation and impairment of tangible and intangible assets	-412	-467	-12				-412	-1 015	-59	-4 695
Total operating expenses	-6 367	-6 126	4				-6 367	-7 244	-12	-28 397
Profit before credit losses	3 005	3 748	-20				3 005	4 186	-28	15 816
Gains less losses on disposals of tangible and intangible assets	-4	-24	-83				-4	2		4
Net credit losses	-1 926	-3 160	-39				-1 926	-2 386	-19	-12 448
Operating profit	1 075	564	91				1 075	1 802	-40	3 372
Income tax expense	-386	-277	39				-386	-781	-51	-2 200
Net profit from continuing operations	689	287	140				689	1 021	-33	1 172
Gains less losses from assets held for sale		-3	-100					6	-100	6
Net profit	689	284	143				689	1 027	-33	1 178
Attributable to minority interests	15	27	-44				15	2		64
Attributable to equity holders *	674	257	162				674	1 025	-34	1 114
* Basic earnings per share, SEK	0.31	0.12					0.31	1.03		0.58
Diluted earnings per share, SEK	0.31	0.12					0.31	1.03		0.58

Statement of comprehensive income – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Net profit	689	284	143				689	1 027	-33	1 178
Translation of foreign operations	-267	244					-267	-248	8	-187
Available-for-sale financial assets	281	214	31				281	-153		1 966
Cash flow hedges	-257	-18					-257	-67		-974
Other	-635	-42					-635	63		-749
Other comprehensive income (net of tax)	- 878	398					- 878	- 405	117	56
Total comprehensive income	- 189	682	- 128				- 189	622	- 130	1 234
Attributable to minority interests	0	16	-100				0	15	-100	60
Attributable to equity holders	-189	666	-128				-189	607	-131	1 174

Key figures - SEB Group

	Q1	Q4	Jan - Mar		Full year
	2010	2009	2010	2009	2009
Return on equity, %	2.71	1.03	2.71	4.85	1.17
Return on total assets, %	0.12	0.05	0.12	0.16	0.05
Return on risk-weighted assets, %	0.34	0.13	0.34	0.44	0.13
Basic earnings per share, SEK	0.31	0.12	0.31	1.03	0.58
Weighted average number of shares, millions*	2 194	2 194	2 194	991	1 906
Diluted earnings per share, SEK	0.31	0.12	0.31	1.03	0.58
Weighted average number of diluted shares, millions**	2 199	2 201	2 199	992	1 911
Net worth per share, SEK	50.07	50.08	50.07	48.75	50.08
Average equity, SEK billion	99.3	99.3	99.3	84.5	95.4
Cost/income ratio	0.68	0.62	0.68	0.63	0.64
Credit loss level, %	0.50	0.93	0.50	0.70	0.92
Total reserve ratio for individually assessed impaired loans, %	77.0	69.5	77.0	71.6	69.5
Net level of impaired loans, %	0.64	0.72	0.64	0.46	0.72
Gross level of impaired loans, %	1.31	1.39	1.31	0.81	1.39
Basel II (Legal reporting with transitional floor) :***					
Risk-weighted assets, SEK billion	812	795	812	897	795
Core Tier 1 capital ratio, %	10.43	10.74	10.43	9.48	10.74
Tier 1 capital ratio, %	12.37	12.78	12.37	11.10	12.78
Total capital ratio, %	13.10	13.50	13.10	13.20	13.50
Basel II (without transitional floor):					
Risk-weighted assets, SEK billion	723	730	723	830	730
Core Tier 1 capital ratio, %	11.71	11.69	11.71	10.24	11.69
Tier 1 capital ratio, %	13.88	13.91	13.88	11.99	13.91
Total capital ratio, %	14.70	14.69	14.70	14.26	14.69
Basel I:					
Risk-weighted assets, SEK billion	994	1 003	994	1 137	1 003
Core Tier 1 capital ratio, %	8.52	8.51	8.52	7.48	8.51
Tier 1 capital ratio, %	10.11	10.13	10.11	8.75	10.13
Total capital ratio, %	10.70	10.70	10.70	10.41	10.70
Number of full time equivalents****	19 032	19 562	19 134	20 736	20 233
Assets under custody, SEK billion	5 127	4 853	5 127	3 991	4 853
Assets under management, SEK billion	1 382	1 356	1 382	1 187	1 356

* The number of issued shares was 2,194,171,802. SEB owned 810,000 Class A shares for the employee stock option programme at year end 2009. During 2010 784,000 net of these shares have been sold as employee stock options have been exercised. Thus, as of 31 March 2010 SEB owned 26,000 Class A-shares with a market value of SEK 1.3m.

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

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

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

Income statement on quarterly basis - SEB Group

SEK m	2010:1	2009:4	2009:3	2009:2	2009:1
Net interest income	3 875	3 697	4 519	5 370	5 904
Net fee and commission income	3 483	3 877	3 566	3 802	3 215
Net financial income	950	935	946	1 471	1 133
Net life insurance income	879	932	857	946	862
Net other income	185	433	- 153	1 585	316
Total operating income	9 372	9 874	9 735	13 174	11 430
Staff costs	-3 865	-3 186	-3 735	-4 262	-4 391
Other expenses	-2 090	-2 473	-1 899	-1 918	-1 838
Depreciation, amortisation and impairments of tangible and intangible assets	- 412	- 467	- 381	-2 832	-1 015
Total operating expenses	-6 367	-6 126	-6 015	-9 012	-7 244
Profit before credit losses	3 005	3 748	3 720	4 162	4 186
Gains less losses on disposals of tangible and intangible assets	- 4	- 24	3	23	2
Net credit losses	-1 926	-3 160	-3 335	-3 567	-2 386
Operating profit	1 075	564	388	618	1 802
Income tax expense	- 386	- 277	- 350	- 792	- 781
Net profit from continuing operations	689	287	38	- 174	1 021
Gains less losses from assets held for sale		- 3	- 1	4	6
Net profit	689	284	37	- 170	1 027
Attributable to minority interests	15	27	12	23	2
Attributable to equity holders*	674	257	25	- 193	1 025
* Basic earnings per share, SEK	0.31	0.12	0.01	- 0.09	1.03
Diluted earnings per share, SEK	0.31	0.12	0.01	- 0.09	1.03

Income statement, by division – SEB Group

Jan-Mar 2010, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life *	Baltic	Other incl eliminations	SEB Group
Net interest income	2 014	1 537	111	- 2	490	- 275	3 875
Net fee and commission income	1 083	1 076	868		209	247	3 483
Net financial income	1 017	65	18		26	- 176	950
Net life insurance income				1 186		- 307	879
Net other income	50	21			4	110	185
Total operating income	4 164	2 699	997	1 184	729	- 401	9 372
Staff costs	- 993	- 985	- 314	- 282	- 179	- 1 112	- 3 865
Other expenses	- 974	- 1 047	- 302	- 131	- 304	668	- 2 090
Depreciation, amortisation and impairment of tangible and intangible assets	- 27	- 38	- 20	- 173	- 20	- 134	- 412
Total operating expenses	- 1 994	- 2 070	- 636	- 586	- 503	- 578	- 6 367
Profit before credit losses	2 170	629	361	598	226	- 979	3 005
Gains less losses from tangible and intangible assets						- 4	- 4
Net credit losses	- 104	- 312	- 1		- 1 431	- 78	- 1 926
Operating profit	2 066	317	360	598	- 1 205	- 1 061	1 075

* Business result in Life amounted to SEK 827m (579), of which change in surplus values was net SEK 229m (111).

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

SEK m	Q1		Q4	Jan- Mar			Full year
	2010	2009	%	2010	2009	%	2009
Net interest income	2 014	1 978	2	2 014	2 919	- 31	9 982
Net fee and commission income	1 083	1 531	- 29	1 083	1 172	- 8	5 647
Net financial income	1 017	712	43	1 017	1 186	- 14	4 377
Net other income	50	- 101	- 150	50	115	- 57	46
Total operating income	4 164	4 120	1	4 164	5 392	- 23	20 052
Staff costs	- 993	- 556	79	- 993	- 1 092	- 9	- 3 529
Other expenses	- 974	- 958	2	- 974	- 949	3	- 3 863
Depreciation, amortisation and impairment of tangible and intangible assets	- 27	- 61	- 56	- 27	- 25	8	- 155
Total operating expenses	- 1 994	- 1 575	27	- 1 994	- 2 066	- 3	- 7 547
Profit before credit losses	2 170	2 545	- 15	2 170	3 326	- 35	12 505
Gains less losses on disposals of tangible and intangible assets		- 1	- 100				- 1
Net credit losses	- 104	- 52	100	- 104	- 279	- 63	- 805
Operating profit	2 066	2 492	- 17	2 066	3 047	- 32	11 699
Cost/Income ratio	0,48	0,38		0,48	0,38		0,38
Business equity, SEK bn	29,0	35,1		29,0	35,1		35,1
Return on equity, %	20,5	20,4		20,5	25,0		24,0
Number of full time equivalents	2 529	2 539		2 527	2 711		2 630

- Solid performance in a quarter with modest but increasing client activity
- Continued high quality balance sheet with low lending losses
- Growth initiatives across the Nordics and Germany are under way

Comments to the first quarter

In the light of market conditions characterized by modest customer activity, Merchant Banking generated a strong operating income in the first quarter. The operating income remained at the same relatively high level as in the fourth quarter, and the underlying costs were stable. Operating profit fell 17 per cent compared with the last quarter of 2009, mainly due the reversal of variable remuneration in that quarter. Asset quality remained high, confirming the strength in the customer portfolio.

Corporate banking generated a relatively stable net interest income, despite the low demand for corporate banking products and the continued low interest rate levels. After a weak start, which was reflected by the lower net fees and commission income, event-driven activities in the Nordic area improved towards the end of the quarter. However, activity and demand for corporate borrowing is expected to pick up in the latter half of 2010 as many Nordic borrowers' revolving credit facilities, closed in 2005-2007, reach maturity.

Considering the lower market volatility, Trading and Capital Markets produced a strong performance. Most business areas gained momentum, reflected in higher

market shares and rankings. Capital markets' client business was strong despite lower market turnover and the equity business confirmed the clear number one position in the Nordic and Baltic stock markets.

Revenues in Global Transaction Services bottomed out in the last quarter of 2009 and showed a positive trend in the first quarter of 2010, despite the continued low interest rate levels. Assets under custody were up to SEK 5,127bn (4,853), the highest level since the end of 2007.

Merchant Banking continued to expand its Nordic business, evidenced by new rankings and official market share data. SEB Enskilda advised Kemira Oyj on the spin-off and listing of Tikkurila Oyj and SEB acted as mandated lead arranger in Tikkurila's refinancing. SEB also served as lead arranger and joint bookrunner in NASDAQ OMX Group Inc's refinancing, confirming the quality in the existing platform.

Merchant Banking will continue to invest in long-term relationships, in both the Nordic countries and Germany, in order to further strengthen the market position in SEB's chosen home markets.

Retail Banking

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

Income statement

SEK m	Q1			Q4			Jan- Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Net interest income	1 537	1 642	-6	1 537	1 882	-18	1 537	1 882	-18	6 879
Net fee and commission income	1 076	1 158	-7	1 076	1 057	2	1 076	1 057	2	4 428
Net financial income	65	82	-21	65	72	-10	65	72	-10	290
Net other income	21	22	-5	21	22	-5	21	22	-5	83
Total operating income	2 699	2 904	-7	2 699	3 033	-11	2 699	3 033	-11	11 680
Staff costs	-985	-911	8	-985	-1 069	-8	-985	-1 069	-8	-4 052
Other expenses	-1 047	-1 127	-7	-1 047	-1 078	-3	-1 047	-1 078	-3	-4 433
Depreciation, amortisation and impairment of tangible and intangible assets	-38	-41	-7	-38	-44	-14	-38	-44	-14	-180
Total operating expenses	-2 070	-2 079	0	-2 070	-2 191	-6	-2 070	-2 191	-6	-8 665
Profit before credit losses	629	825	-24	629	842	-25	629	842	-25	3 015
Gains less losses on disposals of tangible and intangible assets		-1	-100							-2
Net credit losses	-312	-382	-18	-312	-260	20	-312	-260	20	-1 369
Operating profit	317	442	-28	317	582	-46	317	582	-46	1 644
Cost/Income ratio	0,77	0,72		0,77	0,72		0,77	0,72		0,74
Business equity, SEK bn	14,0	15,8		14,0	15,8		14,0	15,8		15,8
Return on equity, %	7,1	9,0		7,1	11,2		7,1	11,2		7,5
Number of full time equivalents	4 792	4 974		4 844	5 130		4 844	5 130		5 078

- Low policy rates continued to negatively affect deposit income and support the card business
- Seasonally low card turnover
- Further investments in easy and accessible products, e.g. Enkla vardagen, in Retail Sweden

Comments on the first quarter

Retail Banking's operating income during the first quarter continued to be negatively affected by low policy rates and slow recovery in commission generating activities.

Operating expenses remained at the fourth quarter level, but was 6 per cent lower than in the first quarter last year. With support from credit losses below the level of recent quarters, the division generated an operating profit of SEK 317m (582).

Retail Sweden launched Enkla vardagen, a bundled offering for the everyday banking needs of private individuals. Furthermore, mortgage lending experienced stable margins and sustained volume growth although at a somewhat lower pace than during the autumn of 2009. SEB's offering to small and medium-sized companies continued to attract new customers. To ensure prompt attention and quality advise, SEB is now increasing investments both in skill building of current employees and in recruitment of new corporate advisors. Corporate lending grew. Operating expenses were in line with previous quarter and 2 per cent lower than in the first quarter of 2009. Provisions for credit losses were virtually

unchanged at SEK 105m. Operating profit for the first quarter of 2010 was SEK 338m (602). Compared with the previous quarter, operating profit decreased by 19 per cent.

In *Retail Germany*, reinforced sales efforts paid off. In comparison with the corresponding quarter of 2009, sales in several product categories and net commissions were up. Low interest rates and negative volume growth, primarily for deposits, meant that total income remained at the quarterly level seen throughout 2009. Credit loss provisions amounted to SEK 116m compared with SEK 160m in the previous quarter. In combination with reduced number of staff and gradually lower operating expenses, operating profit recovered to SEK -237m from SEK -318m in the fourth quarter.

For the *Card* business area, operating income in the first quarter was in line with the first quarter of 2009. The benefits of low funding costs remained, but year-on-year growth in card turnover was modest and did not yet reflect a broader economic recovery. Quarterly provisions for credit losses continued to decrease slowly. Operating profit for the first quarter was SEK 216m.

Wealth Management

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

Income statement

SEK m	Q1			Q4			Jan- Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Net interest income	111	116	-4		111	190	-42			598
Net fee and commission income	868	853	2		868	659	32			2 955
Net financial income	18	23	-22		18	20	-10			76
Net other income		3	-100			1	-100			17
Total operating income	997	995	0		997	870	15			3 646
Staff costs	-314	-250	26		-314	-340	-8			-1 229
Other expenses	-302	-310	-3		-302	-286	6			-1 160
Depreciation, amortisation and impairment of tangible and intangible assets	-20	-24	-17		-20	-30	-33			-116
Total operating expenses	- 636	- 584	9		- 636	- 656	- 3			-2 505
Profit before credit losses	361	411	- 12		361	214	69			1 141
Gains less losses on disposals of tangible and intangible assets		-1	-100							29
Net credit losses	-1	-8	-88		-1	-8	-88			-28
Operating profit	360	402	- 10		360	206	75			1 142
Cost/Income ratio	0,64	0,59			0,64	0,75				0,69
Business equity, SEK bn	5,2	5,5			5,2	5,5				5,5
Return on equity, %	20,1	21,1			20,1	10,8				14,9
Number of full time equivalents	972	1 000			977	1 061				1 016

- High net sales and customer growth
- Growing assets values in a favourable market strengthened income
- High client activity and strong demand for broader investment solutions and equity related products

Comments on the first quarter

Operating profit continued to gain momentum during the first quarter of 2010. Markets were favourable and client activity was high. Clients' risk appetite clearly resumed and the demand for broader investment solutions and equity related products were particularly strong.

Operating income increased by 15 per cent. This was mainly due to 13 per cent higher average assets under management and increased performance and transaction fees, which amounted to SEK 90m (27). Brokerage income developed well, while the low interest rates continued to negatively affect net interest income, at SEK 111m (190).

Operating expenses dropped by 3 per cent.

SEB is the second largest mutual fund manager in Sweden with a market share of 17 per cent. Net sales on the Swedish mutual fund market has continued to improve in 2010. SEB benefitted from the largest net inflows in equity funds and long-term fixed income funds.

Assets under management rose by 2 per cent from year-end 2009, to SEK 1,300bn, primarily due to increased asset values and strong net sales of SEK 19bn (8). 56 per cent (62) of portfolios and 62 per cent (40) of assets under management were ahead of their respective benchmarks.

Higher asset values improved the result for the *Institutional Clients* business area. Performance fees were generated from a larger number of funds and mandates, especially from the Listed Private Equity fund which continued to outperform. Net sales rose to SEK 14bn (4). The new volumes had higher margins due to an increased share of portfolio solutions and structured products. The third party distribution grew slightly. The risk appetite continued to increase with a resumed interest in equity areas.

Private Banking generated net sales of SEK 6bn (5) and a continued strong inflow of new customers. Assets under management increased by 7 per cent since year-end 2009. Operating profit improved by 55 per cent; the adverse effect from declining net interest was more than offset by improved commission income. Private Banking launched a new sales support process with success during the first quarter. ETFs (emerging markets) and certificates (e.g. Private Equity certificates) have been in demand. The modern investment programmes, aimed at creating more stable returns on investments, continued to attract inflows.

Life

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

Income statement

SEK m	Q1			Q4			Jan- Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Net interest income	- 2	- 1	100	- 2	- 10	- 80	- 2	- 10	- 80	- 18
Net life insurance income	1 186	1 145	4	1 186	1 043	14	1 186	1 043	14	4 443
Total operating income	1 184	1 144	3	1 184	1 033	15	1 184	1 033	15	4 425
Staff costs	- 282	- 263	7	- 282	- 274	3	- 282	- 274	3	- 1 107
Other expenses	- 131	- 144	- 9	- 131	- 126	4	- 131	- 126	4	- 536
Depreciation, amortisation and impairment of tangible and intangible assets	- 173	- 167	4	- 173	- 165	5	- 173	- 165	5	- 667
Total operating expenses	- 586	- 574	2	- 586	- 565	4	- 586	- 565	4	- 2 310
Operating profit	598	570	5	598	468	28	598	468	28	2 115
Change in surplus values, net	229	170	35	229	111	106	229	111	106	900
Business result	827	740	12	827	579	43	827	579	43	3 015
Cost/Income ratio	0,49	0,50		0,49	0,55		0,49	0,55		0,52
Business equity, SEK bn	6,0	6,8		6,0	6,8		6,0	6,8		6,8
Return on equity, %										
based on operating profit	35,1	29,5		35,1	24,2		35,1	24,2		27,4
based on business result	48,5	38,3		48,5	30,0		48,5	30,0		39,0
Number of full time equivalents	1 175	1 173		1 175	1 209		1 175	1 209		1 191

- Best quarter ever supported by a positive trend in market values
- Focus on unit-linked insurance leads to moderate risk exposure and capital efficiency
- Higher premium flow a confirmation of customer confidence

Comments on the first quarter

Operating profit increased by 28 per cent compared with the first quarter 2009. Excluding the effect of recovered provisions for traditional portfolio guarantees, profit rose by 59 per cent, mainly related to unit-linked products. All business areas showed stable or increased profit levels. The continued focus on unit-linked has led to moderate risk exposure, capital efficiency and increased return on allocated capital.

Unit-linked income continued to improve as a result of positive market trends and increased risk appetite among policyholders, selecting more advanced and equity related alternatives. The total fund value increased by 5 per cent during the quarter. The result for other product areas also developed favourably during the quarter. The investment return in client funds in the traditional business also generated satisfactory returns.

Provisions made in prior years to cover potential future guarantees in the traditional life portfolios in Sweden were to a large extent recovered in 2009. The result for the first quarter included a further recovery of SEK 24m (106). The remaining SEK 81m of provisions are recoverable, if future investment returns are adequate to meet guaranteed bonus rate levels over time.

Operating expenses, excluding depreciations, were stable compared with last year. The continued efforts to improve administrative efficiency support a stable cost trend per policy. Depreciation of deferred acquisition costs

increased and will continue to do so but should be compared to the increase in unit-linked income.

Unit-linked insurance remains the major product group, representing 86 per cent (79) of total sales. The share of corporate pension decreased to 60 per cent (64) due to high volumes of endowment policies in Sweden. Corporate pension continued to be affected by the general business climate, higher unemployment levels and low salary increases.

Total sales weighted volume increased by 5 per cent and the share of regular premium contracts was 76 per cent (81). Sales were more or less evenly split between the broker channel and SEB's own sales force including the retail branches. The new business sales margin was 14.9 per cent for the last twelve months compared with 14.3 per cent for the calendar year 2009. In Sweden, total sales were unchanged while the volume in Denmark increased by 12 per cent. Sales of Portfolio Bond from SEB Life, Ireland were up by 17 per cent compared to the corresponding quarter last year. Sales in the Baltic countries were unchanged and the total volume was modest, albeit slowly improving.

Total premium income increased by 8 per cent, to SEK 8.5bn (7.9). The total value of unit-linked funds was SEK 165bn compared with 156bn at year-end. Total assets under management (net assets) increased by 2 per cent to SEK 411bn.

Baltic

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

Income statement

SEK m	Q1			Q4			Jan- Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Net interest income	490	522	-6	490	778	-37	490	778	-37	2 679
Net fee and commission income	209	221	-5	209	238	-12	209	238	-12	934
Net financial income	26	31	-16	26	37	-30	26	37	-30	126
Net other income	4	57	-93	4	12	-67	4	12	-67	55
Total operating income	729	831	-12	729	1 065	-32	729	1 065	-32	3 794
Staff costs	-179	-137	31	-179	-220	-19	-179	-220	-19	-730
Other expenses	-304	-464	-34	-304	-336	-10	-304	-336	-10	-1 452
Depreciation, amortisation and impairment of tangible and intangible assets	-20	-21	-5	-20	-25	-20	-20	-25	-20	-2 389
Total operating expenses	-503	-622	-19	-503	-581	-13	-503	-581	-13	-4 571
Profit before credit losses	226	209	8	226	484	-53	226	484	-53	-777
Gains less losses on disposals of tangible and intangible assets		-16	-100		2	-100		2	-100	-17
Net credit losses	-1 431	-2 584	-45	-1 431	-1 702	-16	-1 431	-1 702	-16	-9 569
Operating profit	-1 205	-2 391	-50	-1 205	-1 216	-1	-1 205	-1 216	-1	-10 363
Cost/Income ratio	0,69	0,75		0,69	0,55		0,69	0,55		1,20
Business equity, SEK bn	11,8	11,8		11,8	11,8		11,8	11,8		11,8
Return on equity, %	negative	negative		negative	negative		negative	negative		negative
Number of full time equivalents	2 957	3 093		2 971	3 355		2 971	3 355		3 275

- Unprecedented low short-term rates negatively impacted deposit income
- Provision for credit losses down 45 per cent during the quarter
- Increased activities to enhance the customer franchise

Comments on the first quarter

The operating profit for the quarter was SEK -1,205m (-1,216), including net provisions for credit losses of SEK 1,431m. In comparison with the previous quarter, net credit loss provisions were 45 per cent lower. The SEK 1,431m figure is comprised of collective provisions of SEK 993m, specific provisions of SEK 403m and net write-offs of SEK 35m. Non-performing loans have stabilised.

Income continued to be affected by overall lower business volumes and by deposit margin pressure arising from the unprecedented low short-term rates as an Estonian euro accession became more likely. As a result, net interest income for Estonia was lower than in the last quarter of 2009. In Lithuania and Latvia, net interest income increased.

Operating expenses at SEK 503m were 13 per cent lower than in the corresponding quarter last year and 19 per cent below the previous quarter. This partly reflected the right-sizing of the distribution network and

an overall staff reduction of 136 employees during the quarter.

In 2010, the restructuring of loans continued (see next page).

SEB continued to be recognised for its customer focus. For example, in Lithuania, SEB was named Custodian of the Year by Global Custodian magazine and SEB was voted the most likeable brand in the financial sector in Estonia. In Latvia, SEB signed an agreement with the European Investment Fund (EIF) to provide credit for SME lending. In Estonia, SEB became the first major corporation in the country to cover the majority of its energy needs from green (wind and water) energy.

SEB has intensified its activities to further develop the Baltic business. One example is the development of the new home bank concept focused on cultivating a more customer-centric Baltic business platform.

Baltic update

- Fragile recovery of the macro-economic environment spearheaded by Estonia
- Continued tailored work-out activities in close dialogue with customers
- Decreased provisioning need

Continued signs of stabilisation

The economic situation in the three Baltic countries has started to recover, although the upturn is likely to be slow and uneven during 2010 with stronger growth figures expected in 2011. As presented in Eastern European Outlook (March 2010), Estonia's GDP forecast for 2010 has been upgraded to 2 per cent. In Latvia, GDP is expected to drop by 2.8 per cent in 2010. In Lithuania, a minor growth of 1 per cent is expected for 2010. Exports show clear signs of recovery in all three countries, while domestic demand remained weak.

Continued restructuring and work-out activities

SEB's Special Credits Management Unit – a restructuring and work-out team active in the Baltic region since June 2007– continues to conduct its activities in close co-operation with SEB's customers in the Baltic countries. Action plans are monitored by the so called High Risk Committees. Any client where there is a near term likelihood of a downward migration to risk class 13 or worse is also considered High Risk client. This wide definition facilitates early and prompt addressing of potential future credit losses through early warning signals.

Leasing portfolios

At the end of March, the leasing portfolio amounted to SEK 13bn. 25 per cent of the leasing stock of cars, trucks and other transportation vehicles and equipment, was identified as high risk. During the first quarter the average recovery rate was approximately 60 per cent.

Commercial real estate and land plots

At 31 March 2010, SEB's Real estate Holding Companies (RHC) in the three Baltic countries had acquired assets with a total volume of approximately SEK 50m. Assets will continue to accumulate in the RHCs, but in a protracted process since the foreclosure and auction process takes time. SEB's valuation methodology defines the long-term value of each property as there is a lack of relevant historical prices. As public auctions of the foreclosed assets

gain momentum, the RHCs will participate and acquire assets based on these valuations.

SEB's real estate lending amounted to SEK 25bn, of which 29 per cent was impaired as of 31 March 2010. Some 65 per cent of the portfolio is regarded as high risk clients.

Residential mortgages

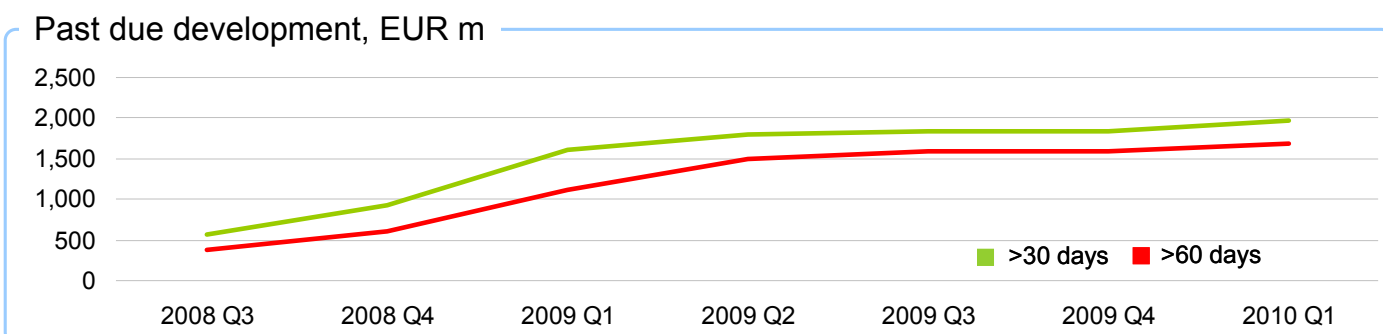
After individual reviews, taking the overall situation of the homeowner into account, SEB has found and will continue to seek solutions, which may include a grace period for amortisations and capitalisation of part of interest under special circumstances. Any residential loan where part of the interest payments have been reclassified is reported as restructured. SEB also plays an active role in the discussions with public authorities on constructive crisis resolutions.

At 31 March 2010, SEB's residential mortgage lending amounted to SEK 47bn, of which 7 per cent was overdue more than 60 days.

NPL formation and outlook for credit loss provisions

Non-performing loans –individually assessed impaired loans and portfolio assessed loans that are more than 60 days past-due – amounted to SEK 18,149m, down by 3 per cent since year-end. This equals 13 per cent of lending. Impaired loans decreased by SEK 882m to SEK 13,050m in the quarter. Portfolio assessed loans were up by SEK 209m to SEK 4,649m. The total restructured loans were SEK 450m at the end of March, up by SEK 138m.

Although signs of recovery are emerging, the domestic economic situation creates a challenging environment for SEB's customers. As a result, NPL formation is expected to continue in the coming quarters, albeit at significantly more moderate rate than in 2009. Additional collective reserves are made in order to cater for the fragility of the economic recovery. The total NPL coverage ratio increased to 66.9 per cent from 61.1 per cent. SEB expects provisions for credit losses not to exceed SEK 5bn and an over time falling coverage ratio in 2010.



Result by geography – January-March 2010

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

- Low policy rates continues to negatively affect deposit margins
- High client activity in Private Banking, Asset Management and Life
- Improved asset quality across the borders; lower provisions for credit losses in the Baltic countries

Comments on the first quarter

Income in all countries was lower in comparison to the first quarter of 2009, mainly due to the exceptional market circumstances that prevailed a year ago. In general, costs were lower following staff reductions during last year. Overall, provision for credit losses decreased.

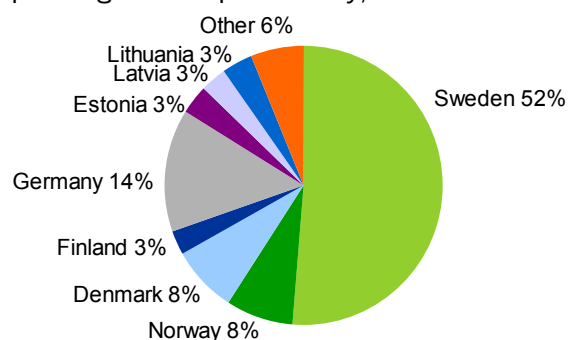
In *Sweden*, SEB's operating profit improved due to lower staff costs and decreased provisions for credit losses. Costs related to the impairment of goodwill for Ukraine of SEK 594m was booked in 2009. Activity levels in Private Banking, Asset Management and Life were high with strong development of net sales. These areas benefited from higher asset values. Corporate activity in general was subdued while mortgage lending increased by 14 per cent compared with March 2009.

In *Denmark*, SEB improved the position as one of the top three corporate banks. The life operations continued to grow the corporate pension savings whereas the private pension savings decreased. Wealth Management significantly improved its performance following a more efficient organisation combined with stronger equity markets. As capital markets income in Merchant Banking was lower than a year ago, operating profit in Denmark decreased by 2 per cent year-on-year in local currency.

Also in *Finland*, Wealth Management improved its operating profit while Merchant Banking was negatively impacted by lower trading income. In terms of quality, Finnish corporate customers rate SEB as top two and further investments will be made to transform the business from an advanced product provider to a long-term core relationship bank. Operating profit fell by 37 per cent in local currency.

In *Norway*, the first quarter was quiet in terms of major

Operating income per country, Jan-March 2010



corporate transactions and refinancing M&A. Loan market activity increased towards the end of the quarter.

According to the recent market survey, SEB has gained a clear top three position in the Norwegian corporate banking market. SEB Enskilda regained the No.1 position in terms of market share on Oslo Stock Exchange in March. Operating profit decreased by 30 per cent in local currency.

In *Germany*, Merchant Banking increased its client activities but capital markets income was lower. Income in Wealth Management increased. In Retail Banking negative effects from the continued low market interest rates were offset by higher net commission income, e.g. increased insurances sales. Operating profit was EUR -6.3m compared to EUR 15.3m a year ago.

SEB's operations in the *Baltic* region is materially affected by the economic development as described on pages 15-16.

In *Ukraine* and *Russia*, provisions for credit losses amounted to SEK 77m and SEK 0.3m, respectively.

Distribution by country Jan - Mar	Total operating income			Total operating expenses			Operating profit		
	2010	2009	%	2010	2009	%	2010	2009	%
Sweden	4 824	5 663	-15	-3 492	-4 447	-21	1 140	931	22
Norway	726	937	-23	-335	-306	9	340	559	-39
Denmark	724	801	-10	-380	-399	-5	318	357	-11
Finland	254	372	-32	-101	-99	2	150	261	-43
Germany	1 331	1 649	-19	-1 235	-1 366	-10	-58	182	-132
Estonia	315	370	-15	-197	-202	-2	-33	-64	-48
Latvia	297	467	-36	-141	-209	-33	-418	-426	-2
Lithuania	322	545	-41	-211	-265	-20	-595	-504	18
Other countries and eliminations	579	626	-8	-275	49		231	506	-54
Total	9 372	11 430	-18	-6 367	-7 244	-12	1 075	1 802	-40

Goodwill impairments for holdings in Ukraine affected operating expenses and profit in Sweden by SEK 0.6bn in Q1 2009.

The SEB Group

Net interest income – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Interest income	12 271	12 790	- 4	12 271	19 966	- 39	12 271	19 966	- 39	63 179
Interest expense	-8 396	-9 093	- 8	-8 396	-14 062	- 40	-8 396	-14 062	- 40	-43 689
Net interest income	3 875	3 697	5	3 875	5 904	- 34	3 875	5 904	- 34	19 490

Net fee and commission income – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Issue of securities	45	200	-78	45	35	29	45	35	29	501
Secondary market	503	580	-13	503	559	-10	503	559	-10	2 465
Custody and mutual funds	1 739	1 673	4	1 739	1 345	29	1 739	1 345	29	5 967
Securities commissions	2 287	2 453	- 7	2 287	1 939	18	2 287	1 939	18	8 933
Payments	451	478	- 6	451	457	- 1	451	457	- 1	1 858
Card fees	998	1 074	- 7	998	1 037	- 4	998	1 037	- 4	4 248
Payment commissions	1 449	1 552	- 7	1 449	1 494	- 3	1 449	1 494	- 3	6 106
Advisory	143	301	-52	143	177	-19	143	177	-19	1 037
Lending	341	339	1	341	335	2	341	335	2	1 383
Deposits	26	26		26	28	- 7	26	28	- 7	108
Guarantees	112	107	5	112	95	18	112	95	18	416
Derivatives	134	115	17	134	159	-16	134	159	-16	558
Other	149	200	-26	149	171	-13	149	171	-13	711
Other commissions	905	1 088	- 17	905	965	- 6	905	965	- 6	4 213
Fee and commission income	4 641	5 093	- 9	4 641	4 398	6	4 641	4 398	6	19 252
Securities commissions	- 295	- 202	46	- 295	- 233	27	- 295	- 233	27	- 874
Payment commissions	- 592	- 615	- 4	- 592	- 639	- 7	- 592	- 639	- 7	- 2 442
Other commissions	- 271	- 399	- 32	- 271	- 311	- 13	- 271	- 311	- 13	- 1 476
Fee and commission expense	- 1 158	- 1 216	- 5	- 1 158	- 1 183	- 2	- 1 158	- 1 183	- 2	- 4 792
Securities commissions, net	1 992	2 251	- 12	1 992	1 706	17	1 992	1 706	17	8 059
Payment commissions, net	857	937	- 9	857	855	0	857	855	0	3 664
Other commissions, net	634	689	- 8	634	654	- 3	634	654	- 3	2 737
Net fee and commission income	3 483	3 877	- 10	3 483	3 215	8	3 483	3 215	8	14 460

Net financial income – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Equity instruments and related derivatives	138	44		138	95	45	138	95	45	- 67
Debt instruments and related derivatives	327	211	55	327	58		327	58		804
Currency related	495	685	-28	495	1 041	-52	495	1 041	-52	3 913
Other financial instruments	2	7	-71	2	3	-33	2	3	-33	- 4
Impairments	- 12	- 12		- 12	- 64	- 81	- 12	- 64	- 81	- 161
Net financial income	950	935	2	950	1 133	- 16	950	1 133	- 16	4 485

Staff costs – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Salaries	-2 935	-2 879	2	-2 935	-3 096	-5	-2 935	-3 096	-5	-11 831
Short-term variable cash based compensation	- 360	458	-179	- 360	- 426	-15	- 360	- 426	-15	- 795
Long-term equity based compensation	- 37	- 41	-10	- 37	- 114	-68	- 37	- 114	-68	- 236
Redundancies	- 38	- 156	-76	- 38	- 148	-74	- 38	- 148	-74	- 404
Pensions	- 329	- 350	-6	- 329	- 417	-21	- 329	- 417	-21	-1 544
Other staff costs	- 166	- 218	-24	- 166	- 190	-13	- 166	- 190	-13	- 764
Staff costs*	-3 865	-3 186	21	-3 865	-4 391	- 12	-3 865	-4 391	- 12	-15 574

*all items include social charges

Other expenses – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
Costs for premises	- 502	- 548	-8	- 502	- 520	-3	- 502	- 520	-3	-2 104
Data costs	- 771	- 830	-7	- 771	- 740	4	- 771	- 740	4	-2 993
Travel and entertainment	- 95	- 151	-37	- 95	- 96	-1	- 95	- 96	-1	- 442
Consultants	- 220	- 390	-44	- 220	- 229	-4	- 220	- 229	-4	-1 042
Marketing	- 105	- 157	-33	- 105	- 120	-13	- 105	- 120	-13	- 520
Information services	- 108	- 105	3	- 108	- 111	-3	- 108	- 111	-3	- 420
Other operating costs	- 289	- 292	-1	- 289	- 22		- 289	- 22		- 607
Other expenses	-2 090	-2 473	-15	-2 090	-1 838	14	-2 090	-1 838	14	-8 128

Net credit losses – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2010	2009	%	2009
<i>Provisions:</i>										
Net collective provisions for individually assessed loans	- 749	579		- 749	- 902	-17	- 749	- 902	-17	-1 844
Net collective provisions for portfolio assessed loans	- 398	- 451	-12	- 398	- 432	-8	- 398	- 432	-8	-1 962
Specific provisions	- 837	-2 567	-67	- 837	- 912	-8	- 837	- 912	-8	-7 256
Reversal of specific provisions no longer required	369	102		369	190	94	369	190	94	621
Net provisions for off-balance sheet items	- 36	- 123	-71	- 36	- 151	-76	- 36	- 151	-76	- 224
Net provisions	-1 651	-2 460	-33	-1 651	-2 207	-25	-1 651	-2 207	-25	-10 665
<i>Write-offs:</i>										
Total write-offs	- 574	-1 100	-48	- 574	- 291	97	- 574	- 291	97	-2 615
Reversal of specific provisions utilized for write-offs	263	328	-20	263	79		263	79		688
Write-offs not previously provided for	- 311	- 772	-60	- 311	- 212	47	- 311	- 212	47	-1 927
Recovered from previous write-offs	36	72	-50	36	33	9	36	33	9	144
Net write-offs	- 275	- 700	-61	- 275	- 179	54	- 275	- 179	54	-1 783
Net credit losses	-1 926	-3 160	-39	-1 926	-2 386	-19	-1 926	-2 386	-19	-12 448

Balance sheet – SEB Group

Condensed SEK m	31 March 2010	31 December 2009	31 March 2009
Cash and cash balances with central banks	19 634	36 589	18 929
Loans to credit institutions	272 242	331 460	284 096
Loans to the public	1 203 833	1 187 837	1 317 189
Financial assets at fair value *	623 302	581 641	639 483
Available-for-sale financial assets *	70 954	87 948	105 011
Held-to-maturity investments *	1 303	1 332	1 236
Investments in associates	1 018	995	1 152
Tangible and intangible assets	27 206	27 770	29 965
Other assets	65 798	52 655	63 167
Total assets	2 285 290	2 308 227	2 460 228
Deposits from credit institutions	393 379	397 433	401 471
Deposits and borrowing from the public	739 907	801 088	835 603
Liabilities to policyholders	255 289	249 009	210 939
Debt securities	469 312	456 043	495 782
Financial liabilities at fair value	209 524	191 440	276 325
Other liabilities	80 747	75 149	89 051
Provisions	1 724	2 033	2 020
Subordinated liabilities	35 886	36 363	50 081
Total equity	99 522	99 669	98 956
Total liabilities and equity	2 285 290	2 308 227	2 460 228
* Of which bonds and other interest bearing securities inclusive derivatives.	463 267	457 209	567 980

Off-balance sheet items – SEB Group

SEK m	31 March 2010	31 December 2009	31 March 2009
Collateral pledged for own liabilities	361 745	420 302	379 334
Other pledged collateral	232 110	202 168	168 276
Contingent liabilities	82 254	84 058	92 145
Commitments	387 568	378 442	440 504

Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Shareholders' equity	Minority interests	Total Equity
Jan-Mar 2010									
Opening balance	21 942	76 699	- 412	-1 096	793	1 491	99 417	252	99 669
Net profit		674					674	15	689
Other comprehensive income (net of tax)			-267	281	- 257	-620	- 863	- 15	- 878
Total comprehensive income		674	- 267	281	- 257	- 620	- 189		- 189
Swap hedging of employee stock option programme*		17					17		17
Eliminations of repurchased shares for employee stock option programme**		25					25		25
Closing balance	21 942	77 415	- 679	- 815	536	871	99 270	252	99 522

Jan-Dec 2009									
Opening balance	6 872	75 949	-225	-3 062	1 767	2 236	83 537	192	83 729
Net profit		1 114					1 114	64	1 178
Other comprehensive income (net of tax)			-187	1 966	- 974	-745	60	- 4	56
Total comprehensive income		1 114	- 187	1 966	- 974	- 745	1 174	60	1 234
Rights issue	15 070	- 397					14 673		14 673
Swap hedging of employee stock option programme*		2					2		2
Eliminations of repurchased shares for employee stock option programme**		31					31		31
Closing balance	21 942	76 699	- 412	-1 096	793	1 491	99 417	252	99 669

Jan-Mar 2009									
Opening balance	6 872	75 949	-225	-3 062	1 767	2 236	83 537	192	83 729
Net profit		1 025					1 025	2	1 027
Other comprehensive income (net of tax)			-248	- 153	- 67	50	- 418	13	- 405
Total recognised income		1 025	- 248	- 153	- 67	50	607	15	622
Rights issue	15 070	- 564					14 506		14 506
Swap hedging of employee stock option programme*		98					98		98
Eliminations of repurchased shares for employee stock option programme**		1					1		1
Closing balance	21 942	76 509	- 473	-3 215	1 700	2 286	98 749	207	98 956

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

** As of 31 December 2009 SEB owned 810,000 Class A-shares for the employee stock option programme. The acquisition cost for these shares is deducted from shareholders' equity. During 2010 784,000 net of these shares have been sold as employee stock options have been exercised. Thus, as of 31 March 2010 SEB owned 26,000 Class A-shares with a market value of SEK 1.3m for hedging of the long-term incentive programmes.

Cash flow statement – SEB Group

SEK m	Jan - Mar			Full year 2009
	2010	2009	%	
Cash flow from operating activities	70 156	- 55 194		- 74 456
Cash flow from investment activities	709	- 620		- 5
Cash flow from financing activities	- 22 155	13 069		- 11 013
Net increase in cash and cash equivalents	48 710	- 42 745		- 85 474
Cash and cash equivalents at beginning of year	89 673	175 147	- 49	175 147
Net increase in cash and cash equivalents	48 710	- 42 745		- 85 474
Cash and cash equivalents at end of period¹⁾	138 383	132 402	5	89 673

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

Reclassified portfolios – SEB Group

	Q1		Q4		Jan - Mar			Full year
	2010	2009		%	2010	2009	%	2009
Reclassified, SEK m								
Opening balance	125 339	132 458	-5		125 339	107 899	16	107 899
Reclassified						51 770	-100	51 770
Amortisations	-1 668	-1 212	38		-1 668	-1 925	-13	-6 683
Securities sold	-5 623	-5 768	-3		-5 623	-2 016	179	-18 180
Accrued coupon	231	-59			231	780	-70	465
Exchange rate differences	-4 123	-80			-4 123	1 060		-9 932
Closing balance*	114 156	125 339	-9		114 156	157 568	-28	125 339
* Market value	111 052	120 635	-8		111 052	147 169		120 635
Fair value impact - if not reclassified, SEK m								
In Equity (AFS origin)	1 248	1 852	-33		1 248	-3 206	-139	759
In Income Statements (HFT origin)	352	805	-56		352	-318		1 412
Total	1 600	2 657	-40		1 600	-3 524	-145	2 171
Effect in Income Statements, SEK m*								
Net interest income	380	400	-5		380	1 371	-72	2 974
Net financial income	1 911	2 027	-6		1 911	1 276	50	-5 141
Other income	30	-23			30	205	-85	50
Total	2 321	2 404	-3		2 321	2 852	-19	-2 117

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

Non-performing loans – SEB Group

SEK m	31 March 2010	31 December 2009	31 March 2009
Individually assessed impaired loans			
Impaired loans, past due > 60 days	17 023	18 157	11 928
Impaired loans, performing or past due < 60 days	2 598	3 167	1 054
Total individually assessed impaired loans	19 621	21 324	12 982
Specific reserves	- 10 222	- 10 456	- 5 608
<i>for impaired loans, past due > 60 days</i>	- 9 025	- 9 489	- 5 179
<i>for impaired loans, performing or past due < 60 days</i>	- 1 197	- 967	- 429
Collective reserves	- 4 893	- 4 371	- 3 685
Impaired loans net	4 506	6 497	3 689
Specific reserve ratio for individually assessed impaired loans	52.1%	49.0%	43.2%
Total reserve ratio for individually assessed impaired loans	77.0%	69.5%	71.6%
Net level of impaired loans	0.64%	0.72%	0.46%
Gross level of impaired loans	1.31%	1.39%	0.81%
Portfolio assessed loans			
Portfolio assessed loans past due > 60 days	7 148	6 937	4 561
Restructured loans	450	312	
Collective reserves for portfolio assessed loans	- 3 510	- 3 250	- 1 847
Reserve ratio for portfolio assessed loans	46.2%	44.8%	40.5%
Reserves			
Specific reserves	- 10 222	- 10 456	- 5 608
Collective reserves	- 8 403	- 7 621	- 5 532
Reserves for off-balance sheet items	- 516	- 478	- 407
Total reserves	- 19 141	- 18 555	- 11 547
Non-performing loans			
Non-performing loans*	27 219	28 573	17 543
NPL coverage ratio	70.3%	64.9%	65.8%
NPL % of lending	1.82%	1.86%	1.09%

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

Seized assets – SEB Group

SEK m	31 March 2010	31 December 2009	31 March 2009
Properties, vehicles and equipment	239	217	311
Shares	59	62	50
Total seized assets	298	279	361

Capital base of the SEB financial group of undertakings

SEK m	31 March 2010	31 Dec 2009
Total equity according to balance sheet (1)	99 522	99 669
./. Dividend (excl repurchased shares)	-2 743	-2 193
./. Investments outside the financial group of undertakings (2)	-39	-47
./. Other deductions outside the financial group of undertakings (3)	-2 747	-2 570
= Total equity in the capital adequacy	93 993	94 859
Adjustment for hedge contracts (4)	-275	-419
Net provisioning amount for IRB-reported credit exposures (5)	0	-297
Unrealised value changes on available-for-sale financial assets (6)	870	1 096
./. Exposures where RWA is not calculated (7)	-1 324	-1 169
./. Goodwill (8)	-4 374	-4 464
./. Other intangible assets	-2 570	-2 616
./. Deferred tax assets	-1 636	-1 609
= Core Tier I capital	84 684	85 381
Tier I capital contribution (non-innovative)	4 869	5 130
Tier I capital contribution (innovative)	10 858	11 093
= Tier I capital	100 411	101 604
Dated subordinated debt	10 366	11 028
./. Deduction for remaining maturity	-554	-658
Perpetual subordinated debt	7 137	7 386
Net provisioning amount for IRB-reported credit exposures (5)	1 349	-297
Unrealised gains on available-for-sale financial assets (6)	615	642
./. Exposures where RWA is not calculated (7)	-1 324	-1 169
./. Investments outside the financial group of undertakings (2)	-39	-47
= Tier II capital	17 550	16 885
./. Investments in insurance companies (9)	-10 500	-10 601
./. Pension assets in excess of related liabilities (10)	-1 119	-543
= Capital base	106 342	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 I and Tier II 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 I and Tier II capital. A corresponding excess can, up to a certain limit, be added to Tier II 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 II capital.

Securitisation positions with external rating below BB/Ba are not included in RWA calculations but are treated via deductions (7) from Tier I and Tier II 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 March 2010, the parent company's Tier I capital was SEK 93,683m (93,674), and the reported Tier I capital ratio was 15.6 per cent (14.8).

Capital requirements for the SEB financial group of undertakings

Capital requirements SEK m	31 March 2010	31 Dec 2009
Credit risk, IRB reported capital requirements		
Institutions	3 344	4 016
Corporates (1)	32 176	32 406
Securitisation positions	759	847
Retail mortgages	5 191	5 202
Other retail exposures	867	863
Other exposure classes	125	131
Total for credit risk, IRB approach	42 462	43 465
Further capital requirements		
Credit risk, Standardised approach (2)	7 230	7 805
Operational risk, Advanced Measurement approach	3 183	3 157
Foreign exchange rate risk	958	636
Trading book risks	4 029	3 376
Total	57 862	58 439
Summary		
Credit risk	49 692	51 270
Operational risk	3 183	3 157
Market risk	4 987	4 012
Total	57 862	58 439
Adjustment for flooring rules		
Addition according to transitional flooring (3)	7 083	5 175
Total reported	64 945	63 614

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

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

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

Capital adequacy analysis

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

Capital adequacy	31 March 2010	31 Dec 2009
Capital resources		
Core Tier I capital	84 684	85 381
Tier I capital	100 411	101 604
Capital base	106 342	107 345
Capital adequacy without transitional floor (Basel II)		
Capital requirement	57 862	58 439
Expressed as Risk-weighted assets	723 271	730 492
Core Tier I capital ratio	11,7%	11,7%
Tier I capital ratio	13,9%	13,9%
Total capital ratio	14,7%	14,7%
Capital adequacy quotient (capital base / capital requirement)	1,84	1,84
Capital adequacy including transitional floor		
Transition floor applied	80%	80%
Capital requirement	64 945	63 614
Expressed as Risk-weighted assets	811 808	795 177
Core Tier I capital ratio	10,4%	10,7%
Tier I capital ratio	12,4%	12,8%
Total capital ratio	13,1%	13,5%
Capital adequacy quotient (capital base / capital requirement)	1,64	1,69
Capital adequacy with risk weighting according to Basel I		
Capital requirement	79 494	80 260
Expressed as Risk-weighted assets	993 680	1 003 250
Core Tier I capital ratio	8,5%	8,5%
Tier I capital ratio	10,1%	10,1%
Total capital ratio	10,7%	10,7%
Capital adequacy quotient (capital base / capital requirement)	1,34	1,34

Overall Basel II RWA (before the effect of transitional flooring) decreased by 1 per cent or SEK 7bn over the quarter. The currency translation effect from the stronger Swedish krona reduced RWA by SEK 16bn. Operational RWA was stable while market RWA increased by SEK 7 bn. Risk class migration contributed SEK 3bn; risk weight increases are discussed below. The residual SEK 2bn change in RWA was mainly due to lower underlying credit volumes and efficiency projects.

With the effect of transitional flooring included RWA increased from SEK 795bn to 812bn over the quarter. The transitional rule is not only based on “80 per cent of Basel I” but also considers net provisioning; since this amount increased over the quarter reported RWA increases even though Basel I RWA shows a modest decrease.

The above means that un-floored Basel II RWA was 27 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.

The estimate will surely be affected by the proposed revisions to the international capital framework published by the Basel Committee in December 2009. SEB participates in the 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)	31 March	31 Dec
Average risk weight	2010	2009
Institutions	17,0%	17,5%
Corporates	58,5%	57,8%
Securitisation positions	22,6%	22,6%
Retail mortgages	16,8%	17,2%
Other retail exposures	39,1%	38,5%

Downward bias in internal risk class migration increased RWA for corporate exposures with SEK 3bn over the quarter (no migration effect for inter-bank exposures).

Income statement – Skandinaviska Enskilda Banken (parent company)

In accordance with FSA regulations SEK m	Q1		Q4	Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2009
Interest income	6 250	6 276	0	6 250	11 212	-44	33 420
Leasing income	1 353	1 379	-2	1 353	1 562	-13	5 800
Interest expense	-4 507	-4 653	-3	-4 507	-8 384	-46	-24 151
Net interest income ¹⁾							
Dividends	234	2 461	-90	234	39		2 757
Commission income ²⁾	1 862	2 133	-13	1 862	1 744	7	7 851
Commission expense ²⁾	-367	-430	-15	-367	-382	-4	-1 636
Net commission income ²⁾	1 495	1 703	-12	1 495	1 362	10	6 215
Net financial income ³⁾	966	857	13	966	1 101	-12	4 065
Other operating income	194	551	-65	194	370	-48	2 811
Total operating income	5 985	8 574	-30	5 985	7 262	-18	30 917
Administrative expenses	-3 282	-2 830	16	-3 282	-3 255	1	-12 117
Depreciation, amortisation and impairment of tangible and intangible assets	-1 144	-1 524	-25	-1 144	-1 239	-8	-5 125
Total operating expenses	-4 426	-4 354	2	-4 426	-4 494	-2	-17 242
Profit before credit losses	1 559	4 220	-63	1 559	2 768	-44	13 675
Net credit losses ⁴⁾	-171	-237	-28	-171	-168	2	-984
Impairment financial assets	-40	-475	-92	-40	-636	-94	-1 222
Operating profit	1 348	3 508	-62	1 348	1 964	-31	11 469
Appropriations	-1	-1 507	-100	-1	-2	-50	-1 510
Income tax	-927	-129		-927	-255		-1 451
Other taxes		-4	-100		-241	-100	-1 544
Net profit	420	1 868	-78	420	1 466	-71	6 964

Statement of comprehensive income – Skandinaviska Enskilda Banken

SEK m	Q1		Q4	Jan - Mar			Full year
	2010	2009	%	2010	2009	%	2009
Net profit	420	1 868	-78	420	1 466	-71	6 964
Translation of foreign operations	-41	83	-149	-41	-194	-79	-96
Available-for-sale financial assets	127	104	22	127	-255	-150	1 053
Cash flow hedges	-142	8		-142	-92	54	-965
Group contributions net after tax	285	210	36	285	-155		662
Other	4	18	-78	4	-157	-103	146
Other comprehensive income (net of tax)	233	423	-45	233	- 853	- 127	800
Total comprehensive income	653	2 291	- 71	653	613	7	7 764

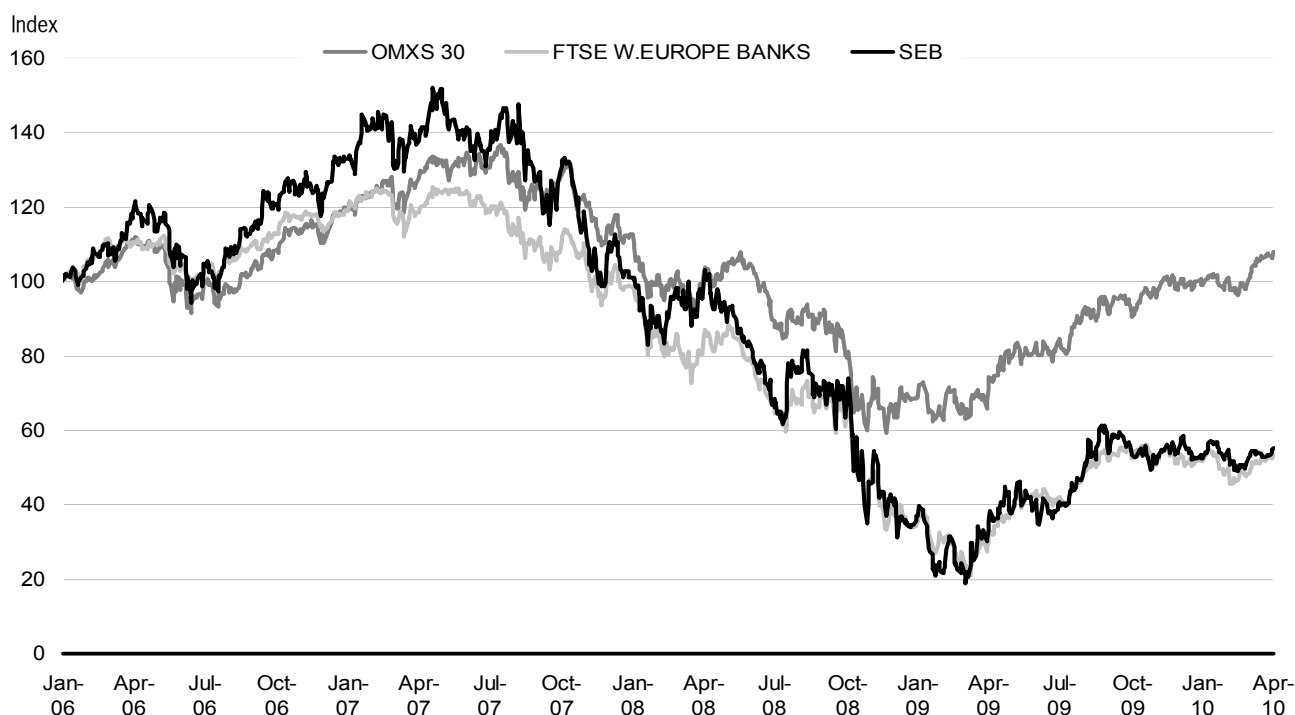
Balance sheet - Skandinaviska Enskilda Banken

Condensed	31 March	31 December	31 March
SEK m	2010	2009	2009
Cash and cash balances with central banks	1 804	21 815	1 166
Loans to credit institutions	325 934	376 223	336 656
Loans to the public	752 574	732 475	789 242
Financial assets at fair value	338 707	304 675	392 651
Available-for-sale financial assets	15 840	16 331	22 402
Held-to-maturity investments	4 589	3 789	3 304
Investments in associates	930	907	1 058
Shares in subsidiaries	58 279	59 325	59 919
Tangible and intangible assets	41 034	41 354	41 575
Other assets	45 566	39 022	44 793
Total assets	1 585 257	1 595 916	1 692 766
Deposits from credit institutions	361 534	386 530	394 580
Deposits and borrowing from the public	450 853	490 850	469 714
Debt securities	403 401	368 784	380 795
Financial liabilities at fair value	191 406	176 604	255 661
Other liabilities	53 743	48 886	77 067
Provisions	239	496	808
Subordinated liabilities	35 121	35 498	49 132
Untaxed reserves	22 644	22 645	21 138
Total equity	66 316	65 623	43 871
Total liabilities, untaxed reserves and shareholders' equity	1 585 257	1 595 916	1 692 766

Off-balance sheet items - Skandinaviska Enskilda Banken

SEK m	31 March	31 December	31 March
	2010	2009	2009
Collateral and comparable security pledged for own liabilities	222 689	268 284	250 528
Other pledged assets and comparable collateral	67 026	47 031	52 107
Contingent liabilities	60 411	64 045	68 568
Commitments	288 681	275 203	283 389

The SEB share



Rating

Moody's Outlook Negative (April 2009)		Standard & Poor's Outlook Stable (February 2010)		Fitch Outlook Stable (June 2009)	
Short	Long	Short	Long	Short	Long
P-1	Aaa	A-1+	AAA	F1+	AAA
P-2	Aa1	A-1	AA+	F1	AA+
P-3	Aa2	A-2	AA	F2	AA
	Aa3	A-3	AA-	F3	AA-
	A1		A+		A+
	A2		A		A
	A3		A-		A-
	Baa1		BBB+		BBB+
	Baa2		BBB		BBB
	Baa3		BBB-		BBB-

SEB's major shareholders

March 2010	Share of capital, per cent
Investor AB	20,8
Trygg Stiftelsen	8,3
Alecta	6,5
Swedbank/ Robur fonder	4,2
AMF Försäkring & fonder	2,3
AFA Försäkring	2,1
SEB fonder	1,7
Wallenberg-stiftelser	1,5
Första AP fonden	1,4
Skandia Liv	1,3

Foreign shareholders 17,6

Source: Euroclear Sweden/SIS Ägarservice