



S|E|B

Annual Review

09

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Advisory service based on customer's need

We offer personal advisory service via branch offices, Internet and telephone around the clock.



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Meet financial adviser Patrik Iwarsson

For Patrik Iwarsson in the city of Lund, the most satisfying part is not to make quick deals but to have customers who remain satisfied after ten years.



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Sharona Gessler – with an eye for the customer's best interests

Picking the right sort of competence at the right time so that the customers can benefit from it is an important issue for Sharona Gessler, Client Executive within the Merchant Banking division.

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Sibbhultsverken

was one of many companies hit by the credit crisis and the economic downfall. For SEB it was important to stand by the customer throughout the crisis.



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SEB's result for 2009

The underlying result was the strongest to date. However, operating profit deteriorated due to large provisions for credit losses in the Baltic region. SEB's balance sheet was strengthened.



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Workout in the Baltic countries

Although credit losses increased sharply in 2009, the inflow of new past due loans almost stopped in the second half of the year. In parallel with an intensified restructuring and workout process, focus has gradually moved to the future development in the region.

SEB:s årsredovisning finns på www.sebgroup.com

Financial information during 2010

Publication of annual accounts	10 February
Annual Report on the Internet	18 March
Annual General Meeting	11 May
Interim report January – March	28 April
Interim report January – June	13 July
Interim report January – September	28 October

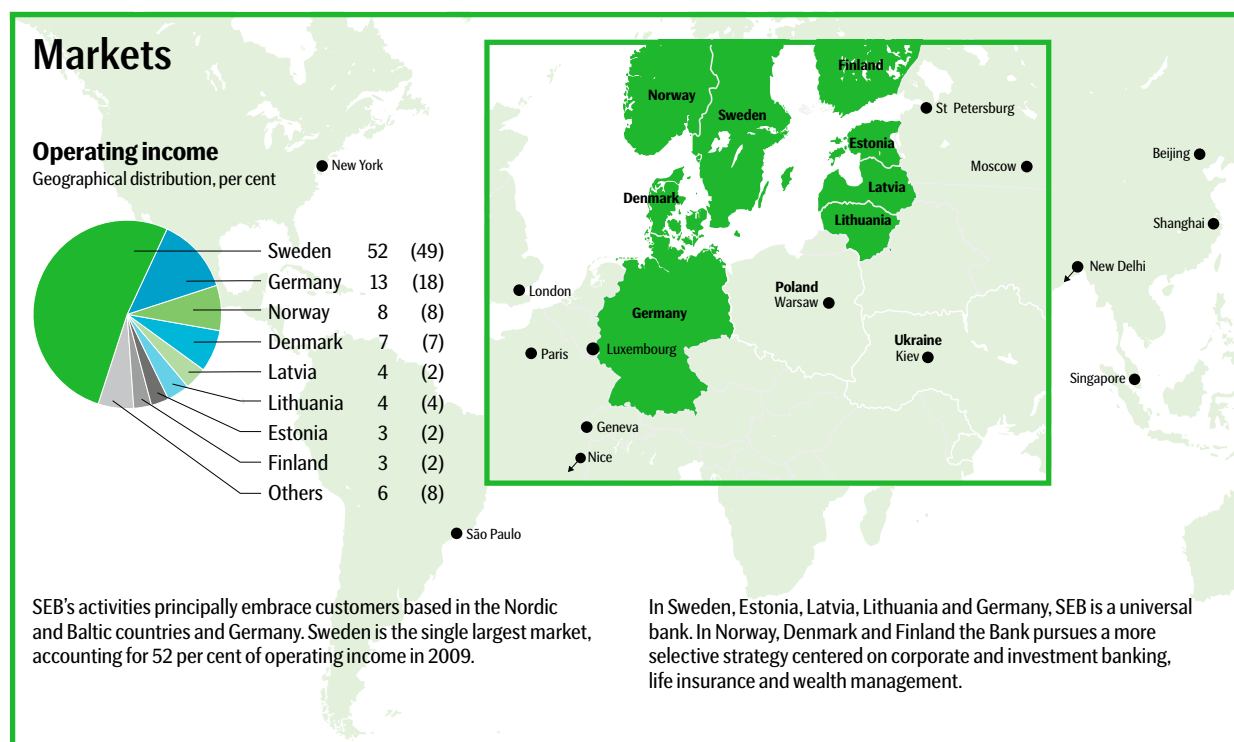
For further information please contact

Ulf Grunnesjö	Viveka Hirdman-Ryrberg
Head of Investor Relations	Head of Communications
Telephone +46 8 763 85 01	Telephone +46 8 763 85 77
E-mail: ulf.grunnesjo@seb.se	E-mail: viveka.hirdman-ryrberg@seb.se

Annika Halldin
Senior Financial Information Officer
Telephone +46 8 763 85 60
E-mail: annika.halldin@seb.se

This is SEB

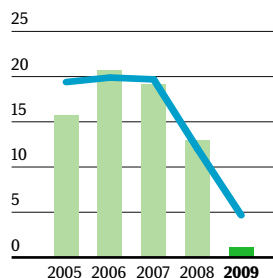
SEB is a leading Nordic financial services group with a strong commercial and investment banking focus. SEB offers a wide range of financial services to private, corporate and institutional customers principally located in eight North-European countries. SEB is also a leading life insurance provider. The international nature of SEB's business is reflected in its presence in 20 countries worldwide. In total, SEB employs 21,000 people.



Key figures

Return on equity

Per cent

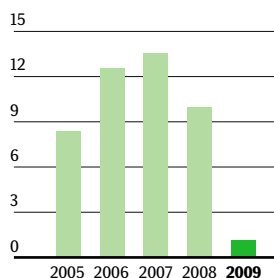


Target: Highest among peers

— Peer average (excl. SEB)

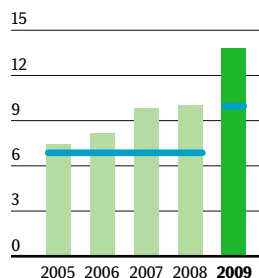
Net profit

SEK bn



Tier I capital ratio ¹⁾

Per cent

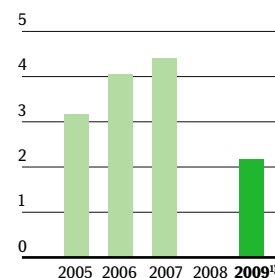


— Target: at least 7 per cent up to and including 2008, 10 per cent long-term as from 2009

1) 2005–2006 Basel I.
2007–2009 Basel II without transitional rules.

Dividend

SEK bn



1) A dividend of SEK 1.00 per share is proposed for 2009

The average pay-out ratio for 2005–2009 is 30 per cent.

Customers

SEB has a strong customer franchise with focus on active and long-term relations. Ever since A. O. Wallenberg founded SEB in 1856, the Bank has provided financial services to help private individuals and corporate customers reach their financial objectives.



2,500

Corporates & Institutions

SEB is the leading corporate and investment bank in the Nordic countries, serving large companies, financial institutions, banks and commercial real estate clients with corporate banking, trading and capital markets and global transaction services. Comprehensive pension and asset management solutions are also offered.

Channels

Large corporations and institutions are served by the Merchant Banking division, with operations in 17 countries, and also by the Wealth division. Key markets are the Nordic countries and Germany.



400,000

SME customers

SEB offers small and medium-sized corporate customers several customized products that were initially developed in co-operation with SEB's large corporate clients. In addition, numerous services are specifically designed for small companies and entrepreneurs.

Channels

Small and medium-sized corporate customers are served by SEB's Retail and Baltic divisions as well as the Life and Wealth Management divisions. Key markets are the Nordic and Baltic countries.



5 million

Private customers

SEB provides some five million individuals with products and services to meet their financial needs. These include products and services for daily finances, savings, wealth management and life insurance. SEB strives for excellence in customer service and are available to many of our customers around-the-clock, all-year round.

Channels

Private customers are principally served by the Retail and Baltic divisions in Sweden, Germany, Estonia, Latvia and Lithuania and also by the Life and Wealth Management divisions. Key markets are the Nordic and Baltic countries and Germany.

Internet, Telephone and 565 branch offices

All of SEB's customers can stay in contact with the Bank via Internet, Telephone and branches – 565 traditional branch offices in Sweden, Germany, Estonia, Latvia, Lithuania and Ukraine and private banking branches and representative offices in twelve countries.

Large corporations and institutions are assisted by client executives, product experts, analysts and traders in 17 countries.

SEB also co-operates with some 2,000 life insurance intermediaries and brokers.

Business divisions

Merchant Banking – Commercial and investment banking services to large corporate and institutional clients, mainly in the Nordic countries and Germany.

Retail Banking – Banking services to private individuals and small and medium-sized corporate customers in Sweden and Germany. Also SEB's Card business.

Wealth Management – Asset management, investment management and private banking services to institutional clients and high net worth individuals. Manages SEB's mutual funds.

Life – Life insurance products for private individuals and corporate customers, mainly in the Nordic and Baltic regions.

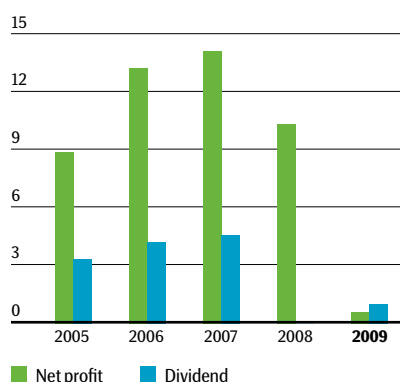
Baltic – Banking and life insurance services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania.

Operating income	Operating profit
SEK 20 052 m (16 813)	SEK 11 699 m (8 350)
SEK 11 680 m (12 226)	SEK 1 644 m (3 245)
SEK 3 646 m (4 689)	SEK 1 142 m (2 011)
SEK 4 425 m (3 260)	SEK 2 115 m (1 063)
SEK 3 794 m (4 783)	SEK –10 363 m (1 017)

2009 in brief

- Profit before credit losses increased to SEK 15,816m (15,697).
- Operating profit decreased to SEK 3,372m (12,471) due to provisions for credit losses in the Baltic countries and goodwill depreciation.
- Net profit amounted to SEK 1,178m (10,050), corresponding to SEK 0.58 per share (10.36).
- Proposed dividend: SEK 1.00 per share (0).
- During 2009 the strengthening of SEB's balance sheet and liquidity had the highest priority.
- Capital measures aimed at improving the quality and size of the capital base included a SEK 15.1bn rights issue and a withheld dividend of SEK 4.5bn.
- At year-end, the core Tier I capital ratio was 11.7 per cent (8.6) and the Tier I capital ratio 13.9 per cent (10.1) without Basel II transitional floor.
- Without making use of it SEB participated in the State guarantee programme during the period May–October 2009.
- SEB took a number of steps during the year to further deepen its commitment to corporate sustainability and the Bank was the first Nordic bank to fully compensate for its own CO₂ emissions.

Earnings and dividend per share¹⁾
SEK



A dividend of SEK 1.00 per share is proposed for 2009.
The average pay-out ratio for 2005–2009 is 30 per cent.

1) No. of shares adjusted for rights issue.



During 2009, which was characterized by a tough recession, we chose to strengthen both our balance sheet and our customer relations further. Goodwill depreciation and increased provisions for credit losses in the Baltic countries contributed to the drop in our operating result. At the same time, the underlying result has never been stronger.

Annika Falkengren
President and Group Chief Executive

Positioned for investments in Nordic core areas

SEB is a bank that has always had long and strong customer relations. Throughout the financial crisis, our highest priority was to remain accessible for our customers. We stand by our strategy of being the leading Nordic bank, strongly focused on large corporations and asset management.

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

Difficult decisions, strengthened balance sheet

In order to be able to support our customers and meet the volatility on the market we made a series of difficult decisions during 2009 to further strengthen our balance sheet. These decisions involved a rights issue, cutting headcount by 1,500, write-off of all goodwill relating to our Baltic and Eastern European operations as well as an extension of the Bank's funding maturities at the expense of net interest income.

Solid underlying result

In spite of the deep recession in 2009, SEB mostly performed very well. Once again, our leading position as a bank for large Nordic corporations and investment bank was confirmed through customer surveys and ranking lists. For example, Nordic institutions ranked SEB as number one both within equity trading and corporate advice in the Nordic countries, according to Prospera. Also within Private Banking, we consolidated our position as a clear market leader in Sweden.

Even though the operating profit dropped, the underlying result has never been stronger, a testament to our broad business mix and strong customer base. Merchant Banking and Life recorded their highest operating profit ever. Retail Banking in Sweden remained strong, attracting high mortgage volumes, more new SME customers and record card volumes. In Germany, the corporate business is doing well, while the retail business continues to struggle. Goodwill write-offs and provisions for credit losses strongly reduced results in the Baltic operations.

Stabilisation in the Baltic countries

Towards the end of 2009 we became increasingly confident that the macroeconomic situation in the Baltic countries had stabilised. The inflow of new impaired loans in the three Baltic countries practically stopped during the second half of the year, which indicates that the increase of past due loans will slow down during 2010. In addition, we conducted an in-depth analysis of all credits. At year-end, we had valued all commercial and residential properties. These valuations reflect the long-term recovery values at which SEB is willing to acquire them and include them in its special property companies. Accordingly, in the absence of any significant macroeconomic setbacks, the provisions for credit losses should develop favourably during 2010.



Active social role

As a bank, SEB plays an important part in supporting individuals and companies, thus contributing to social development. In addition, we make several direct contributions. By way of example we offered a three-month practice period in the Bank in Sweden to 100 long-term unemployed, in co-operation with the Swedish Employment Office.

Impact of new regulation

Throughout the financial crisis, we have supported our customers by providing them with services, financing and advice. A new financial landscape is now appearing. The Bank for International Settlements is proposing new international capital standards which, if implemented, will have far-reaching impact on capital ratios in the banking sector. Notwithstanding these changes, SEB's relative capital position is expected to hold firm.

While I am supportive of a more robust, global banking system which is more in line with traditional sound banking practices, banking is all about taking and managing risks. Ultimately, efficient risk management systems and principles are more important than detailed regulations. The importance of a harmonised global framework must be highlighted again.

Variable remuneration

Remuneration is another area where regulations must not affect competition. At SEB we are firmly convinced that a combination of fixed and variable remuneration creates long-term value both for customers and shareholders. In setting the total level of variable remuneration for 2009, many difficult concerns needed to be weighed. Record results within some parts of the Bank formed a sharp contrast to extremely poor results within other parts. At the same time, it was necessary to keep the confidence of customers, shareholders, colleagues and society at large. The way in which SEB's Nordic and global competitors were acting had to be taken into account, too. These considerations in combination with the Group's lower aggregate result made us decide to reduce short-term variable remuneration by 67 per cent, to 5 per cent of staff costs for 2009. During the years prior to 2008, the level was around 20 per cent.

**” We are convinced that now
is the right time to invest in
future growth!**

Focus on core areas

From previous business cycles we know that now is the right time to invest in future growth. In 2010 we aim to take advantage of the more positive economic outlook and the flexibility afforded by our balance sheet strength to further invest in our business. Focus will be on Merchant Banking in the Nordic countries and Germany and on Retail Banking in Sweden.

2010 will be a financially challenging year, as we will both be working through our credit portfolio in the Baltic countries and take up-front costs for investments. In the short run, this will restrain our financial development.

We are convinced that SEB is well positioned for long-term growth and I am proud of our first-class staff and strong customer relations.

Stockholm in February, 2010

Annika Falkengren
President and Group Chief Executive

A relationship bank poised for long-term growth

Our MISSION is to help people and business thrive by providing quality advice and financial

Our VISION is to be the trusted partner for customers with aspirations.

Our GOAL is to be the leading Nordic bank, with a strong focus on corporate banking and

Increased customer satisfaction



Customers' confidence and relations with SEB form the basis of the Bank's operations. SEB has a long-term ambition of becoming the leading Nordic bank in terms of customer relations. This means that SEB should be customers' first choice in those areas in which it chooses to compete and that this should be reflected in top grades for SEB in customer surveys.

We continuously try to improve our customer service and advisory capacity. Product development work between our divisions plays an important role in this connection. It shall be easy for our customers to get access to our entire offering. For us, it is of vital importance that we are accessible for our customers at any time they choose to call us. They can reach us around the clock every day of the year via our branch offices, the Internet and the Telephone bank. During

2009 SEB's Telephone bank answered two million calls just in Sweden, which corresponds to contacts at 120 branch offices during the corresponding period.

As in previous years, SEB was very highly ranked for many of its services aimed at large corporations and institutions as well as private banking customers. Among other things, the Bank was once again appointed the best stockbroker and the best corporate advisor in the Nordic region. In Sweden, SEB was appointed best private bank.

The Retail division's customers in the Baltic countries and Germany also rank our services and offerings highly. In Sweden, we are now intensifying our efforts at increasing customer satisfaction, not least through improved accessibility and even better customer offerings.

A better bank in all res



In order to reach its long-term goal SEB has formulated a strategic direction called "Road to Excellence". This means a strong commitment to increased customer satisfaction, primarily through reaching first-class quality and higher productivity, a better coordination of the various parts of the Group and intensified interaction with the Bank's attractive customer base.

We have worked hard in order to form a stronger platform for world class customer service. An important tool in this work is SEB Way, a Group-wide programme that streamlines processes and increases quality so that resources and time are released and used for meeting customer needs and for generating new business. The programme is applied

resources.

wealth management.

pects



throughout the Group and has led to concrete results, both in terms of sales and support functions.

With the help of SEB Way we strive to encourage a culture of constant improvement to meet customers' increased demands. At year-end 2009, more than 60 per cent of all employees had participated in the change process. Change projects, with small groups of between 15 and 50 people, are constantly started after a thorough review of divisions and business areas.

Towards the end of 2009 a shortened programme, SEB Way Fundamentals, was launched in order to lift the whole organization to a common platform.

Sustainable growth



SEB has a strong position in many areas. However, for us continued development is important, primarily in those areas where we are particularly strong. This mainly means services aimed at corporations and institutions, asset management, private banking and unit-linked insurance.

Even though there are signs that the global economy is recovering, it is expected that the economic situation will remain unstable also during this year. It is a priority for us to invest in sustainable growth while keeping a good balance between continued good risk management and possible profits from risk-taking. We always prefer return to volume growth.

In Sweden and the Baltic countries, where SEB is a universal bank, the ambition is to be the best bank across the whole field.

In the rest of the Nordic region and Germany, we strive to expand, particularly within corporate and investment banking services and asset management, but also in other areas of strength such as life insurance services and cards.

In the rest of the world we have strategic establishments in important financial centres to be able to support our customers in their foreign operations.

Advisory services in line with your needs, in everyday

SEB has a diversified customer base and every customer's life situation and needs therefore are different. Using all our numerous ways of contact our colleagues are working every day in order to find the best solution for each customer. This is how we make our customers' everyday life simpler.

Your needs/Your life situation

The student who just graduated and wants to move out of his/her home. The grandparents who wish to start saving for their grand-children. The young family that is ready to buy its first house. The person born in the 1940s who wants help for the planning of his/her life as a pensioner.

When it comes to certain issues and life situations, having a professional financial counterpart to turn to may feel good. To find support from somebody who sees the whole picture and takes the time to answer questions in personal meetings. Regardless whether it is a matter of minor everyday matters or major plans for the future, it is a great advantage to search solutions to every unique situation together.

Moving out **Buying a new place**
Aging comfortably **Ahead of retirement**
Have a family
Start studying **Buying a car** **Moving abroad**
Handling domestic economy
Starting a business **Saving for the children**



Personal advice...

SEB has a tradition of long customer relations. We offer all our customers personal advice and concrete proposals for solutions and activities. Our customers will decide themselves how often and in which way they wish to stay in touch with their adviser. You can also find answers to most types of questions via our Telephone bank and the Internet. The services of our advisers are for free.

Any customer in need of qualified private finance advice, particularly concerning investments, can have his/her own financial adviser, who will provide assistance regarding everything from investment advice and family-related legal matters to insurance issues. Once a year, the financial adviser will review the customer's total finances together with the customer, discussing investment purpose and risk level. The customers themselves will decide how active they wish to be, making investment decisions on a continuous basis for their own account, or if they prefer to leave the responsibility with the Bank. The asset manager's fees are proportionate to the size of the customer's account.

For affluent people Private Banking offers a tailor-made service that is individually adapted to the cus-

...via many channels

SEB's private customers can stay in touch with the Bank around the clock via 565 branch offices, through the Internet and Telephone bank. In Sweden and Estonia SEB's Telephone bank offers personal service 24 hours the whole year around, while the opening hours of the Bank's customer centres in the rest of the Baltic region and Germany are a little more restricted.

Private individuals in need of asset management and sophisticated advice are served by Private Banking in the Nordic countries, the Baltic and Germany. Customers residing outside their respective home countries may turn to the Bank's Private Banking units

life and for the future



customer's personal preferences as regards risk, return and investment orientation. Here, too, the customer themselves will decide how active they want to be.

SEB's Private Banking customers are offered various stockbroker services, depending upon their needs and qualifications. These customers also get access to our legal services, covering such areas as taxation and civil law, and assistance with pension solutions.

in Luxembourg, Geneva, London and Singapore, among other places.

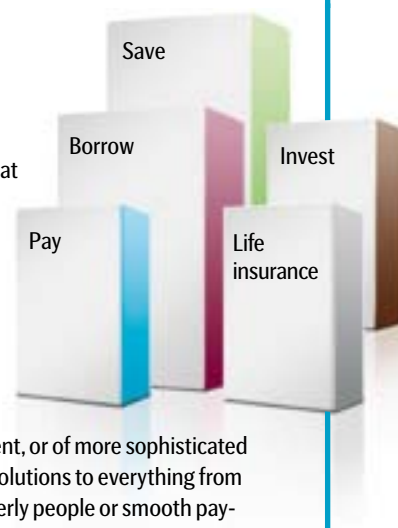
As far as life insurance is concerned SEB co-operates with approximately 2,000 insurance brokers in Sweden, Denmark and the Baltic countries. We also have our own sales force, consisting of about 350 people. In Germany, SEB co-operates with the insurance company AXA.

SEB is furthermore a leading issuer of cards in the Nordic region, with several different brands such as Visa, EuroCard, Master Card and Diners as well as different security solutions.

Our products and competences

Regardless of where in life you find yourself, SEB is at your disposal with assistance and advice. We get to learn our customers' wishes and needs and will propose products and solutions that are likely to make their everyday lives simpler, create freedom of action and further develop their finances.

We have products and solutions for practically every situation. It may for example be a matter of a mix of different savings forms prior to retirement, or of more sophisticated wealth management, simple and quick financing solutions to everything from environmental car loans to mortgage loans for elderly people or smooth payments that make life easier, at home, at the computer or during a trip abroad.



A knowledge organisation

The SEB Bank Group has the necessary knowledge about, and commitment to, everything that concerns finance: everything from analysts and private advisers to lawyers. We always make sure that the right sort of competence is used in the right situation, which means individual and committed advisers and sometimes entire customer teams. Time after time, our experienced and competent colleagues have manifested their ability to think along new ways, always in the best interests of the customers.



Jacob Sebardt (Mortgage), Catharina Händler (Payments), Jens Magnusson (Head of Business Intelligence, SEB Trygg Liv), Maria Häggbom (Private Banking), Ulrika Ekberg (Private Savings), Johan Östlund (Investments), all in Sweden.

An adviser with “green” fingers

His everyday life is about managing his customers' investments, making their capital grow. Patrik Iwarsson, having experienced both upturns and downturns, says that his job largely means long-term thinking. “Things are easy when the market goes up, but it takes courage to get off in time”, he says.

What is the best part about being an investment manager?

“One important feature is of course your relationship with the customer. The most satisfying part is not to make quick deals but to have customers who remain satisfied with your work also after ten years. I look upon myself as a gardener, cultivating a garden and seeing plants grow. My customers' investments represent tulips and roses with which I busy myself and give nourishment.

Today's flow of information is enormous and the swings on the stock market occur with increased frequency. It is not enough for a company to do well. Small and major events in the world economy are factors that in the end have an impact upon stock prices. It is difficult and challenging to sort out what is significant in all sorts of information and to understand the dynamics. But this is something that I find very stimulating”, says Patrik Iwarsson.

What is the most difficult part of your work?

“People expect that I should be able to foresee market downturns, for example, and it goes without saying that this is quite complicated, both in terms of when the pendulum will swing and of the magnitude of the swing. The most difficult thing after all is to have the courage to advise customers to step down when things look their best.

How has customer behaviour changed during the crisis?

“Both we and our customers have learnt a lot from the crisis and I believe that we stand stronger today. We are working with more investment instruments and several asset classes. This will allow us to foresee future changes better.

In retrospect I associate the events of the autumn of 2008 with Tage Danielsson's monologue on the theory of probability and the nuclear disaster at Harrisburg at the end of the 1970s. ‘Before Harrisburg, it was extremely improbable that what happened there should ever occur’.”

How does an investment manager handle his or her own investments?

“As for myself, I continuously make investments in my family's housing, which for me and for many other people is an essential part of the household economy. I also check my pension savings regularly.”

What piece of advice would you give to people who due to time shortage do not look over their finances sufficiently?

“They should naturally contact the Bank's experts, who have both the time and the necessary knowledge”, he says with a smile.

Name: Patrik Iwarsson

Age: 41

Lives: Malmö, Sweden

Profession: Financial adviser SEB

Qualities that make him good at his work: A cheerful soul, a man of ideas, a driving force – “I see opportunities everywhere!”

Family: Co-habitant partner Caroline and sons Rasmus, 9, Alexander, 4 and daughter Nelly, 2.

Interests: Family, friends and skiing. Collecting party games (has more than 400) and renovates his house in his leisure time.



24–7 in 23 languages

In Sweden, SEB's Telephone Bank offers both private individuals and small- and medium-sized companies personal service around the clock, 365 days per year – in 23 different languages. Also in Estonia SEB offers personal service around the clock. In the other Baltic countries and Germany, the opening hours are somewhat more restricted. In total, 5.8 million calls and more than 600,000 e-mails were answered by SEB's telephone banks in 2009.

Give your own opinion on SEB's Newsroom!

Last November SEB, as the first Swedish bank, launched its Newsroom, which serves as a rallying point on the web for journalists, bloggers, analysts, customers, jobseekers, investors and anybody who is interested in following developments within the Bank.

Group news together with local and regional news from different markets are shown in parallel, including comments by the Bank's spokespersons in public media. Comments, reports and even film features as well as photos and presentations that SEB publishes on files and picture galleries on YouTube and Flickr¹⁾, for example, are gathered here.

The new website makes it easier for bloggers and others who write about SEB to spread information about the Bank by having everything brought together in one and the same place and by facilitating the insertion of links to the Newsroom material in news articles and other web communications.

<https://newsroom.sebgroup.com>

1) Flickr and YouTube are the most important picture and film services available on the the net.



A web site for all your everyday business matters

Today, very few customers do not use the Internet services of the Bank. Every month the Internet offices are subject to up-dating and improvement proposals are often received direct from customers.

New web functions in 2009

- Financial summary on the starting page**
Assets and liabilities are shown right after you log in and you can also add items there from other banks.
- Check all account events during the past 16 months**
The account history has been extended from 90 days to 16 months.
- Improved Mobile Bank**
Check your accounts, make transfers, pay your electronic invoices and follow how your funds and shares develop via your mobile phone.
- Follow the up- and downturns of your securities**
By using the new function Account History you can calculate the tax effects of your sales and make your income tax return easier.
- Electronic invoicing by companies**
If you use the Internet office for companies you can let your customers choose electronic invoicing and thus save postage, environment and time.
- Make a call and have your account balance read to you via your mobile phone**



Alternative pension solutions – and new product prize in Denmark

Everybody has different opportunities for savings, and needs, depending upon where in life one finds oneself, among other things. Since we at SEB can offer expertise within banking, asset management and insurance we have every possibility of helping our customers realise their dreams about life after work. We can for example help them see the connections between pensions, savings and housing.

In Sweden, we offer several different alternatives as a complement to the general pension and individual pension savings: Enkla pensionen (simple pension), Unit-linked insurance, Kapitalspar (asset savings) and various forms of occupational pension.

In Denmark, SEB Pension was awarded the internationally recognized prize "Innovation of the Year 2009" for its product "Tidspension" (time pension). The prize, which is awarded by the trade magazine "Life & Pensions", came concurrently with SEB Pension's launching of an improved version "Tidspension med garanti" (time pension with a guarantee) in the Danish market. This time pension offers customers a tailor-made adjustment mechanism that creates stability and provides protection against great disbursement fluctuations.



A student package that makes money last

Students often find it difficult to keep their finances stable. This is why we have produced a package with good banking and advisory services for people who continue their studies after sixth form of grammar school, free of charge (worth SEK 1,265).

Most young people who are studying and/or have temporary jobs do not yet have the fixed annual income that is necessary in order to get a housing loan. If they have credit-worthy parents who can guarantee the mortgage, they are more likely to get a loan. In this way, parents can make it easier for their children to move out of home.

Our services for private individuals

Enkla sortimentet – The Simple Assortment

SEB's Enkla sortiment consists of competitive products designed to cover its customers' total needs and to associate SEB with simplicity, accessibility and clearness. The Simple Assortment includes Enkla lånet (Simple loan), Enkla krediten (Simple credit), Enkla sparkontot (Simple savings account), Enkla depån (Simple deposit account) and Enkla pensionen (Simple pension account). Both customers with important and complex needs and those with lesser needs are equally appreciative of the Simple Assortment or Enkla sortimentet.

Internet and telephone services around the clock

For those who wish to handle their banking transactions at home via their computers or while travelling, SEB's Internet Bank is always open. Via the net SEB's customers are able to see their account balances and loans, pay their bills as well as deal in shares and mutual funds, among other things. Private customers in Sweden, the Baltic countries and Germany are offered personal service by telephone – in Sweden and Estonia around the clock every day of the year. Customers can also do their banking transaction via an automatic telephone service at any time of their choice.

Cards

SEB's credit and charge cards – VISA, Eurocard, MasterCard and Diners Club – offer a convenient way of paying for purchases and travel, for example, and can be used in shops and ATMs all over the world and on the Internet with the security codes Verified by Visa and MasterCard SecureCode. SEB is the leading issuer of cards in the Nordic area and is now expanding its card services into the Baltic region.

Bank savings and savings in securities and funds

SEB has a broad range of savings products, adapted to different needs and purposes. Money grows safely on a savings account and is always available. With equity-linked bonds, savers get back most of their invested capital, while having the opportunity of taking part in a possible rise in prices. SEB has managed assets for private individuals in Sweden since the mid-1800s. Today, SEB is one of the major fund companies in Northern Europe with approximately 200 own interest and equity funds in the Nordic and Baltic countries and in Germany.



Mortgage loans and other types of financing

SEB's mortgage loans, which cover the financing of homes, owner-occupied apartments and summer houses, have grown strongly in recent years, particularly in Sweden. SEB offers financing solutions through its wide range of different types of financing in the form of car, environmental car, leisure and boat loans as well as overdraft facilities, thus meeting customers' varying needs.

Payments

By using SEB's payment services customers are able to pay their bills and to make transfers conveniently. Among the services payment via Internet, envelope, autogiro and foreign payments may be mentioned.

Insurance and pension savings

SEB offers its customers in Sweden, Denmark and the Baltic countries a complete assortment of life and pension insurance plans. In addition, SEB has a wide range of products that complement public welfare, such as health and health care insurance. In Germany, SEB has a co-operation agreement with the insurance company AXA.

Private banking

SEB's private banking services are primarily designed for private individuals with investable assets of SEK 5m or more, alternatively for those who have extensive and complicated finances. Each relationship is based upon a financial plan of action that covers everything from tax and legal advice to wealth management, financing, insurance and practical solutions of everyday finances. Active investors even have access to a private stockbroker. Outside Sweden, SEB has private banking activities in Geneva, Luxembourg, Singapore, London and Nice.

A constant eye for the customer's best interests

Working closely with corporate customers and making sure that their specific needs for solutions are matched with the right sort of competence within SEB are things which make Sharona Gessler feel happy at work. Not least when she is able to create added value and when she can foresee needs that the customers have not yet realized they have.

How do you work with your customers?

"We keep in close contact with them and have personal relationships with all groups that we are working with. We are trying to listen and suggest solutions for improvement. Once a year, we make a business review of our customer engagements in order to find ways of further developing our co-operation.

Some customers may prefer just talking about financing alternatives, but we wish to dig further to get an overall view of the company and its plans for the future. We regard ourselves as an important business partner and feel that this allows us to be in the forefront and to suggest improvements. It happens often that the company itself has not realized that there is a potential for improvement."

What is the driving force behind your work?

"I love working on new prospects. Just calling up someone I never spoke with before, creating opportunities for a future business relation is challenging but also a lot of fun.

Changing banking relations is a very big step for any group of companies. Today, many financial institutions offer similar products and services. This means that it is particularly important for us to make use of SEB's special competence as a corporate bank in the right way."

Can you give any example?

Recently, we helped a Swedish company that imports large electricity volumes to minimize their foreign exchange risks. Since they are dealing on the international electricity market they need to make foreign exchange transactions to pay for the electricity. We helped them with a currency hedge, which secures them against possible Swedish krona depreciations and other foreign exchange fluctuations.

This was not anything the customer in question had asked us to look at, but something that we identified when analyzing their income statement and balance sheet."

What do you see as the strongest challenge in your work?

"Within SEB, we have a great number of people with deep competence in many different special financing areas – from Cash management, Trade Finance (safe instruments of payment), Leasing, Project finance to so-called securitization solutions. It is a matter of picking the right sort of competence at the right time so that my customers can benefit from it. As a consequence, you must both have a very good insight into the customer's needs and be sufficiently familiar with your own organization so that you know who to contact!"

SEB – the SME Bank of the Year

For the second year in a row, SEB has been appointed the "SME Bank of the Year" by the business magazine Privata Affärer. In 2007, SEB received an award for the "Best SME Product".

The reason for this appointment was that SEB has continued to concentrate on small and medium-sized companies by developing new services and offerings. In 2009, customers were offered a Start-your-own business package, including advice on new starts for free and a menu of 15 additional services from other companies.

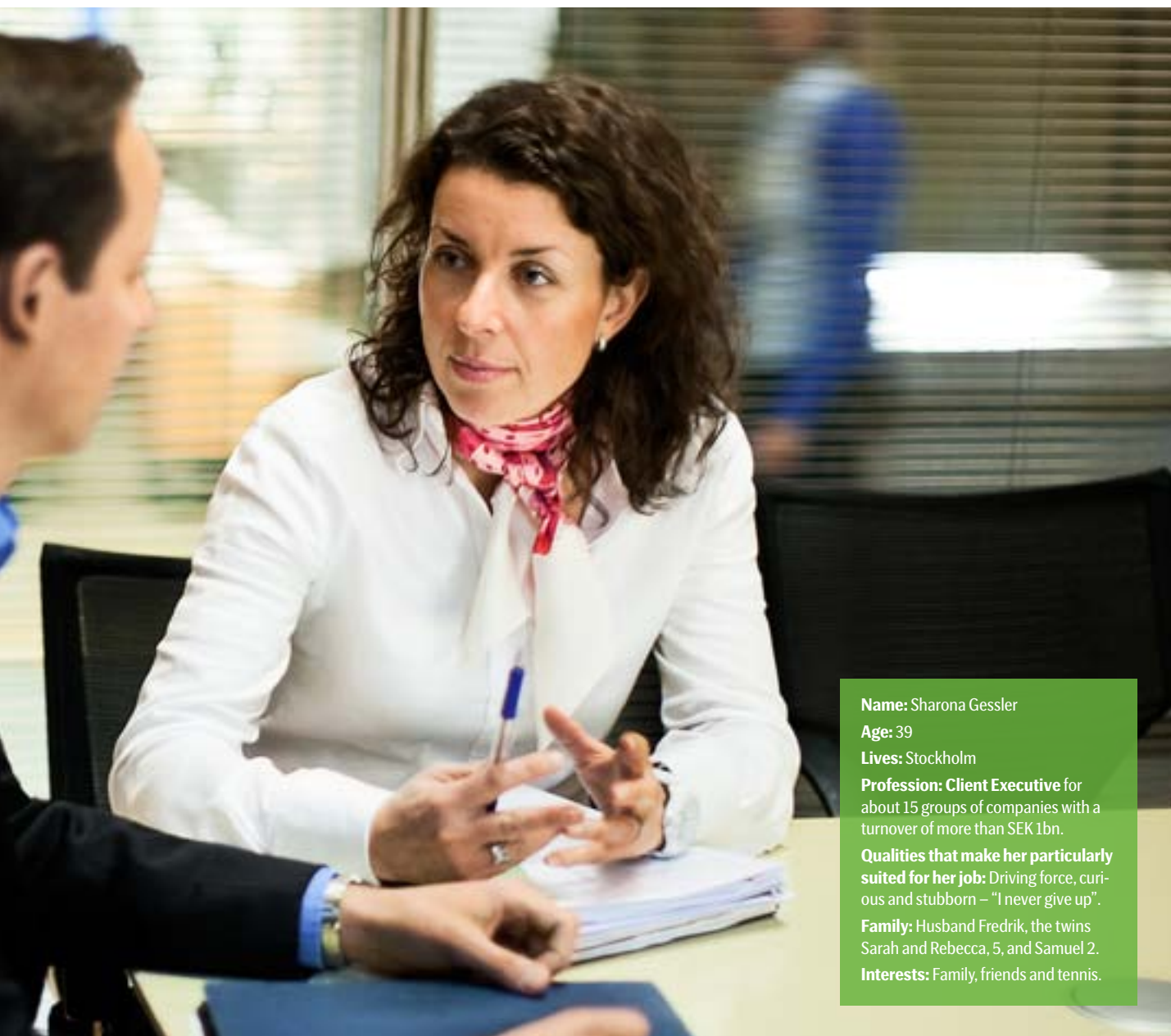
The magazine furthermore stressed the Enkla Firman Finansiering (Simple financing package for firms), which was launched at the beginning of the year, offering customers the possibility of borrowing up to SEK 300,000 through a simplified process. The advisory services by telephone around the clock in some 20 languages were also mentioned as a reason for the appointment.

"We want to create free time and release resources for an easier adminis-

tration so that companies can spend more energy on their operations", says Mats Torstendahl, Head of the Retail division. "It is particularly gratifying that we get positive feedback for our accessibility via telephone, which is a unique service on the Swedish banking market."

Today, SEB has a little over 150,000 corporate customers in Sweden, of which about 125,000 have a turnover of less than SEK 5m. The number of new customers increases by approximately ten per cent, net, per year.





Name: Sharona Gessler

Age: 39

Lives: Stockholm

Profession: Client Executive for about 15 groups of companies with a turnover of more than SEK 1bn.

Qualities that make her particularly suited for her job: Driving force, curious and stubborn – “I never give up”.

Family: Husband Fredrik, the twins Sarah and Rebecca, 5, and Samuel 2.

Interests: Family, friends and tennis.

Awards during the year

As in previous years, SEB ranked best corporate bank within many areas in 2009.

A selection of awards by different market research institutes and magazines are shown below.

Prospera :

- No.1 Corporate Finance House in the Nordic region
- Best Research House in Sweden
- Best Equity House in the Nordic region
- No.1 Foreign Exchange Bank in the Nordic region

Euromoney:

- Best Bank in Sweden
- Best M&A House in the Nordic and Baltic countries
- No.3 Best Real Estate Bank globally
- Best at Cash Management in the Nordic and Baltic regions

Global Finance Magazine:

- Best Trade Finance Provider in the Nordic region

Global Investor:

- No.1 for sub-custody in all Nordic and Baltic markets

Treasury Manager International:

- Best Bank for Risk and Liquidity Management
- Best Supply Change Finance Provider in the Nordic region

On the customer's side when the crisis struck

Scanian company Sibbhultsverken experienced a troublesome situation at the end of 2008. The company produces gearbox parts for trucks, among other things. Sales dropped dramatically and the liquidity situation was extremely strained. Today, the situation is under control, with turnover approaching the pre-crisis levels.

Sibbhultsverken is located in the little Scanian place called Sibbhult. The company was formed in 2006 after having taken over both production and production facilities from Scania. Since then, the company's production has included gearbox components for delivery to Scania and a handful of other manufacturers of heavy vehicles.

Activities developed well up to the autumn of 2008, when the market for heavy trucks collapsed as a result of the international credit crisis.

"Our sales dropped by 70 per cent in the course of three to four months, which forced us to large staff reductions and a drastic review of all other costs in the company", says Lars Dahl, Managing Director and part-owner of Sibbhultsverken.

"We have always had close contacts with SEB's local branch office and now we got assistance also from the Bank's central units."

For SEB, it has been important to stand by its customers during the financial and economic crisis. Together with the management of Sibbhultsverken, SEB has streamlined liquidity and negotiated with other financiers, among other things.

Contacts between SEB and Sibbhultsverken have been very frequent, including weekly follow-up meetings on the order situation, working capital tie-ups and the liquidity situation.



"We look very positively on Sibbhultsverken's ability to adjust its costs quickly to the new conditions, says SEB's Special Credits Management unit's Magnus Berggren.

"Thanks to SEB's support and a constructive dialogue with our key customers, we have been able to gather enough strength to broaden our assortment, taking on new business. Today, our sales are back at 75 per cent of the pre-crisis level and we have reinstated 15 fellow-workers", says Lars Dahl.

In the summer of 2009, Lars Dahl participated in a hearing with Finance Market Minister Mats Odell, among others, where many people complained that the banks were obstructing companies through their unwillingness to grant credit.

"I did not recognize myself in that description of the banks and I took the opportunity of saying so, too", says Lars Dahl.



Sibbhultsverken's President Lars Dahl (to the left) together with SEB's Magnus Berggren.



TeliaSonera's bid for Eesti Telekom and TEO LT

Adviser:

SEB Enskilda in Stockholm, Tallinn and Vilnius.

Size of transaction:

TeliaSonera's ownership increased from

- 60 to 100 per cent in Eesti Telekom (SEB 3.3bn worth).
- 60 to 67 per cent in TEO LT (SEK 1.6bn worth).

TeliaSonera

EestiTelekom



SEB Enskilda adviser in Baltic telecom deal

During 2009 SEB Enskilda once again was voted best corporate adviser in the Nordic countries in several different surveys. The Bank acted as an adviser in connection with 27 mergers and acquisitions, including Telia Sonera's bid for Eesti Telekom in Estonia and for TEO LT in Lithuania.

In the autumn of 2009, the survey company Prospera presented an investigation based upon 700 interviews with customers, in which SEB Enskilda was voted No. 1 both among local and international advisers. The survey comprised 22 local and eleven international advisers in total.

SEB Enskilda shared the number one position in all the Nordic markets, but siding up with different competitors in each respective country. SEB was on the top also last time Prospera carried out this opinion poll in 2007.

Euromoney, Financial Times and Mergermarkets also ranked SEB Enskilda as the best corporate adviser in the Nordic area last year.

Much fewer mergers and acquisitions were negotiated during 2009 compared with the previous year. Yet, activity remained high, particularly because many companies needed to strengthen their balance sheets by asking for new capital from their shareholders.

During 2009 SEB Enskilda acted as an adviser in 27 M&A deals with customers within and outside the Nordic region, for a total value of EUR 7bn and 38 equity capital market transactions with a combined size of EUR 6bn. Eleven of these involved new issues for SAS, SEB, Husqvarna and Eniro, among others.

One of the companies that used SEB Enskilda during the year was Telia Sonera, wishing to increase its ownership in the Baltic telecom-

munications companies Eesti Telekom and TEO LT. The process was initiated last summer.

"It is our strategy to increase our holdings in majority-owned companies in order to have wholly-owned companies as far as possible", says Per-Arne Blomquist, Telia Sonera's Chief Financial Officer.

As a result of these transactions, which were published on 24 August, Telia Sonera's ownership in Eesti Telekom was increased from 60 to 100 per cent and from 60 to 67 per cent in TEO LT. The deals were worth SEK 3.3bn (EEK 5.1bn) and close to SEK 1.6bn (LTL 527m), respectively. Three SEB Enskilda units were involved: Stockholm, Tallinn and Vilnius. In addition, local public relations and law firms were engaged as well as British lawyers, since both companies were listed on the London Stock Exchange. The transactions were made public simultaneously in each respective market.

"Since the companies were listed, we performed a parallel process both in Estonia and Lithuania. Had we only bid for one of the companies, speculation would arise that we should bid for the other one as well. This meant that it was preferable to make them parallel, since that was our ambition anyway," says Per-Arne Blomquist.

One effect of the deals was demonstrating that Telia Sonera clearly believes in the Baltic region.

"It was a positive signal to the market and the bids per se led to an upturn on the stock exchange in the Baltic region," according to Per-Arne Blomquist.

Among SEB Enskilda's major assignments during 2009 beside Telia Sonera were the merger of the Swedish Post Office with Post Danmark, Ericsson's acquisition of assets from Canadian Nortel Networks and AP Möller Maersk's placement of own shares. SEB Enskilda was also the Swedish Government's sole adviser in connection with the State's sale of 463 pharmacies.

Our offerings to companies and institutions

SEB is adviser to 2,500 large corporations and institutions, mainly in the Nordic countries and Germany. Our 400,000 small and medium-sized corporate customers can benefit from the competence and products that have been developed in co-operation with the large corporations, adapted to the needs of the smaller companies. In addition, they have access to numerous services specifically designed for small companies and entrepreneurs.

Small and medium-sized companies

“Enkla firman” or the “Simple firm”

“Enkla firman” represents a comprehensive solution for people running unregistered firms. This service includes the Internet office, private and bank giro payments, payment service via the Internet, corporate cards, corporate accounts offering higher rates of interest and free withdrawals, advisory services and pension solutions.

“Enkla firman financing”

“Enkla firman financing” has been designed for people who are running unregistered firms, offering a package solution called Enkla firman. The financing amount varies between SEK 30,000 and 300,000 and can be freely divided between open credit, loan and charge card. Applications are made via the internet, by telephone or through a branch office.

“Enkla lånet för företag” or the “Simple loan for companies”

“Enkla lånet” is a quick and smooth way for small companies to borrow money, from SEK 30,000 up to SEK 300,000. Applications are made via the Internet, by telephone or through a branch office.

Internet Office for companies

With the company's finances gathered in one place, it only takes a few moments to get an overview of accounts, payments, funds, loans and share-holdings, for example. The Internet Office is open around the clock every day of the year. Also our corporate advisors can be reached here by telephone.

Assistance in connection with ownership changes

Whether it is a matter of corporate purchases or sales or a generation change SEB has all the knowledge, expertise and necessary network of contacts that may be needed in order to plan and implement the transaction.

Payments

Payments are made automatically from the company's finance system or via the Internet. The monitoring of due dates is included in the service.

Payroll administration

SEB offers simple and smooth solutions for companies' payments of salaries, including follow-up of due dates, etc.

Card payments and redemption of cards

By signing card redemption agreements with SEB for MasterCard, VISA and Diners Club our corporate customers are able to offer their clients a safe and smooth way of payment. In 2009, SEB launched an e-trading service for small and newly-started companies.

Pension solutions

SEB has produced a flexible pension plan for small and medium-sized companies called Tryggplan, which can be adapted to the needs and desires of both employer and employees. Through co-operation agreements with other players, SEB can offer occupational pension solutions to companies with employees also in Denmark, Norway and Finland.

Corporate customer centre

Our corporate customers have access to advanced help and advice by telephone around the clock, in 22 languages, through our customer centres in Sweden and Lithuania.

Setting up on one's own guide

During the past year SEB has produced a guide for those who consider setting up a business of their own. The guide lists five steps from the original idea to the point where the customer has started his/her own company.

Large companies and institutions



Cash management

SEB can help customers to develop and streamline their liquidity processes in order to reduce their total costs. Our service offer includes everything from payments and accounts to advanced advice and research. Our success is built upon our ability both to identify customer needs and to develop new solutions through close co-operation. This has been confirmed through a series of international awards and high international rankings in this area over the years.

Insurance services

By offering insurance solutions and associated services in several markets – the Nordic region, the Baltic and Germany – SEB is able to satisfy companies' needs for occupational pension plans and employee benefits, for example. SEB also offers insurance solutions to help companies reduce sickness absence and related costs. Another service is the administration of pension funds, where SEB is leading on the Swedish and Baltic markets. Through co-operation agreements, SEB can offer companies engaged in Nordic activities occupational pension plans also for their employees in Denmark, Norway and Finland.

Leasing

SEB's corporate customers have access to various services that release capital, thus creating room for growth.

Financing

SEB provides companies with financing through different products: open credit, loans, credit and charge cards, factoring, export finance and guarantees, for example. After analyzing each company's needs we suggest which different products that are best suited both for the company's current and development plans.

Special financing

SEB assists its customers in complicated financing operations that require extensive analysis and documentation, usually focused on specific industries. Our services are based upon our deep knowledge both of different industrial sectors and our customers' activities and processes. This allows us to make well-balanced risk assessments and to offer competitive financing solutions.

Real estate advisory services and financing

The real-estate market is growing and becoming increasingly international. Industry specialisation intensifies and increases the demand for sophisticated and tailored banking, advisory and financing services. In 2009, Euromoney appointed SEB as the best bank for real estate services in the Nordic region and in Latvia and as number three in the world.

Trading in the financial markets

In order to meet our customers' financial needs in the best way possible, we find solutions within equity, commodity, interest and foreign exchange trading, whether it is a matter of just one asset class or a combination of several. Our specialists will then share their ideas and views with the customers on a regular basis. Our customers can furthermore access our prized Research, which has been compiled by more than 100 analysts. Our distinct focus on our customers and their unique needs has made SEB number one in the world in terms of Swedish kronor trading and SEB Enskilda into the most important player on the Nordic stock exchanges.

Wealth management

Company-adapted asset management is a tailor-made service, aimed at companies and financial institutions. Wealth management offers its services on either a discretionary or advisory basis, according to requirements. The investment horizon should not be less than one year. It is our ambition to offer the best possible return in relation to the risk that the customer chooses.

Securities custody

SEB is the leading custody bank in the Nordic region and the Baltic, providing financial institutions and companies with efficient solutions for divesting and for keeping securities. SEB has been successful in this respect by being keenly aware of customers needs and by giving them optimal access to business information, thus creating a solid basis for wise investment decisions. In 2008, SEB was appointed the Custody Bank of the Year in the Nordic region by International Custody and Fund Administration.

Corporate finance

SEB offers extensive advisory services regarding company acquisitions, divestments and mergers as well as share issues and listing operations. In 2009, SEB was ranked the best corporate finance house both by market research institute Prospera and by Financial Times.

SEB's result in 2009

Strengthening SEB's stability and business operations had the highest priority during the exceptional year 2009. Through a series of measures the Bank has built up resilience to practically every possible negative scenario. The operating result deteriorated due to sharply increased provisions for credit losses and goodwill write-offs.

Despite the negative macroeconomic situation, SEB's underlying result remained strong throughout 2009. Customer activities and business volumes were high within most areas. Income improved by 8 per cent and the operating result before credit losses rose by 1 per cent. However, the result weakened to a great extent due to provisions for credit losses in the Baltic countries and goodwill write-offs in the Eastern Europe.

Strengthened balance sheet

Several measures were taken during the year in order to strengthen the Group's balance sheet and financial position.

- Following the rights issue in the spring of 2009 in combination with the withheld dividend for 2008 the capital base of the Bank was strengthened by SEK 19.5bn.
- The core Tier I capital ratio was further strengthened through a capital gain of SEK 1.3bn from the repurchase of GBP 400m of subordinated debt.
- Matched funding maturities were extended to 18 months. This extra safeguarding measure was taken at the expense of net interest income, which was reduced by SEK 1,200m.

Strong customer focus increased the underlying result

SEB's customer relations were consolidated during 2009, as reflected both in higher market shares and top rankings in several important areas. This trend appears clearly from the Bank's underlying result, which is the strongest ever achieved.

Excluding goodwill write-offs, capital gains and reconstruction costs the result before provisions rose by 11 per cent, to SEK 17,215m. (More information on result development and financial position is presented on pages 20–23).



SEB's rating

A good rating is important, particularly since it affects the borrowing costs on the international capital markets.

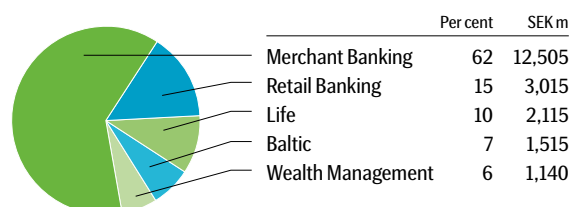
Due to the improved world economic situation in combination with SEB's efforts to increase the strength of its balance sheet, Standard & Poor's changed its outlook for SEB's rating in February 2010 to stable from negative. At the same time SEB's long-term A-rating was confirmed.

Also the rating institution Fitch considered SEB's rating as stable, whereas Moody's still have a negative outlook as a consequence of their view of the Baltic countries and Sweden.

SEB's present credit rating falls short of its long-term goal of having a AA-rating.

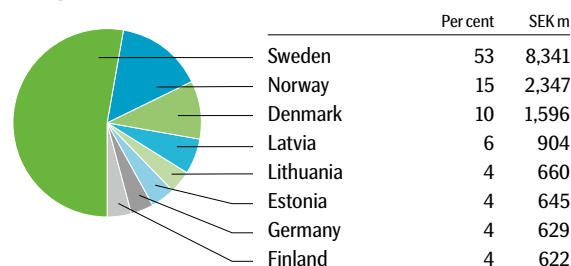
Profit before credit losses¹⁾

Divisional distribution, 2009



1) Excluding goodwill impairment charges, SEK 1.6bn capital-gain on debt buy-backs, other and eliminations.

Geographical distribution, 2009



Business result per division

Merchant Banking

Merchant Banking's performance during 2009 clearly mirrored the divided year, with extreme market turbulence during the first half and significantly lower activity during the second half. The division reported a record result for 2009. Income rose by 19 per cent and the operating profit by 40 per cent. Results within all business units were strong.

Credit quality remained good and credit losses decreased by 9 per cent compared with 2008.

During the year SEB Enskilda acted as adviser in connection with a large number of important acquisitions (see article on page 15).

Life

The Life division showed striking strength. Income increased by 36 per cent and the operating profit doubled. Unit-linked insurance remained the most important product, with an 80-per cent share of total sales. In Sweden, SEB is the clear leader within unit-linked insurance for many years, with a market share of 26.6 per cent in 2009.

The Life division applies a multi-distribution strategy, which means that sales are made through internal insurance advisors, insurance brokers and SEB's branch offices, among other things.

Baltic

The result of the Baltic division was strongly affected by the negative macro-economic developments in Estonia, Latvia and Lithuania. Income dropped by 21 per cent and the operating result was negative, at SEK -10.4bn, due to goodwill write-offs of SEK 2.3bn in total and provisions for credit losses of SEK 9.6bn in total.

Retail

The Retail division reported a mixed result. Its operations in Sweden and in the business area Cards showed good results, while the retail operations in Germany reported a negative result. In total, income dropped by 4 per cent and operating profit by 49 per cent.

In Sweden, SEB gained market share on the mortgage market and acquired 12,200 new corporate customers. In Germany, lower market rates and customer activities affected the retail business negatively, while credit losses increased. The Card business reported its strongest year ever, both in terms of income and result.

Wealth Management

Wealth Management's income dropped by 22 per cent and the operating profit by 43 per cent, mainly due to low market values at the beginning of the year. Net sales were strong, considering the market turbulence, and totalled SEK 41bn (33). SEB accounted for the largest inflow of equity and bond funds on the Swedish market during the year. At the same time, the Bank had large outflows of short-term interest funds, which was in line with SEB's recommendations to its customers.

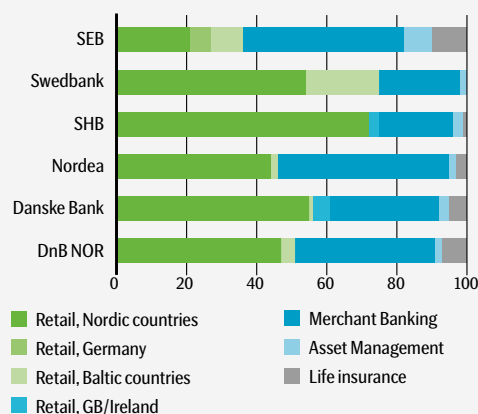
Large corporations weigh heavily

In terms of customer structure and earnings SEB is different from other Nordic banks to a certain extent. During 2009, large corporations and institutional clients accounted for approximately 45 per cent of SEB's income. Compared with most other Nordic banks this was a significantly higher share. Also, SEB's share of life insurance income is considerably larger than in any other Nordic bank.

The business structure is also reflected in commission income, which traditionally weighs heavier in SEB than in other banks. This is due to the SEB Group's focus on corporate advice and transaction-intensive activities with large corporations and financially active and affluent private individuals.

Customer segmentation, Nordic banks

Share of total income, per cent



Since the Nordic banks differ in terms of business structure this is an approximate distribution of customer segments.

Profit and loss account

The Group's income and costs for the year are reported in the profit and loss account. When calculating the operating result, credit losses (both incurred and probable losses), and write-downs are taken into account.

Income statement				
	SEK m	2009	2008	Change, %
Income				
1 Net interest income		19,490	18,710	4
2 Net fee and commission income		14,460	15,254	-5
3 Net financial income		4,485	2,970	51
4 Net life insurance income		3,597	2,375	51
5 Net other income		2,181	1,795	22
Total operating income		44,213	41,104	8
Costs				
6 Staff costs		-15,574	-16,241	-4
Other expenses		-8,128	-7,642	6
Depreciation of assets		-4,695	-1,524	
Total operating expenses		-28,397	-25,407	12
Gains less losses from tangible and intangible assets		4	5	-20
7 Net credit losses		-12,448	-3,231	
8 Operating profit		3,372	12,471	-73
Income tax expense		-2,200	-2,421	-9
Net profit from continuing operations		1,172	10,050	-88
9 Discontinued operations		6		
Net profit		1,178	10,050	-88
Attributable to minority interests		64	9	
Attributable to equity holders		1,114	10,041	-89

Income

1 Net interest income

Traditionally and putting it simply, banking is a matter of mediating capital between customers with surplus capital and customers in need of loans. The bank can for example use long-term household savings for short-term corporate lending. Inversely, short-term deposits can be used for long-term lending due to the large amount of accounts with varying due dates.

Customer needs vary strongly when it comes to loan size, maturity and other loan terms. The interest margins of the banks also differ in various parts of the market, depending on handling costs and business risk. Changes in margins as well as in volumes of the SEB Group's borrowing and lending activities are naturally of great importance for the development of its net interest income, which largely equals the difference between earnings on lending to the general public (households, companies) and credit institutions, on the one hand, and the costs for deposits and borrowings from the general public and credit institutions, on the other hand.

In addition, net interest income is influenced by the yield on the Group's portfolios of interest-bearing securities and on its equity. Also the costs for the Bank's issuance of own securities as part of its long-term borrowing affect net interest income.

During 2009 SEB's net interest income improved by 4 per cent, to SEK 19.5bn. This improvement was primarily due to average volume increases of both lending and deposits during the year. Net interest income was negatively affected by the Bank's increased costs for strengthening its balance sheet through prolonged financing maturities. Low market rates had a negative impact upon deposit margins.

2 Net commission income

By tradition, commission income from various services such as equity trading, advisory services and cards weighs more heavily in SEB than in other Swedish banks. This is due to the fact that the Bank has always focused on servicing large companies and on wealth management more than other banks.

During 2009, net commission income dropped by 5 per cent, to SEK 14.5bn, as a result of lower income from equity trading and other capital market activities. Income from payments and cards was largely unchanged.

3 Net financial income

This item includes both realised gains/losses in connection with the sale of shares, bonds and other financial instruments and the market value of unrealised changes in the value of the Group's trading stock of securities. The trends in the financial markets are of great importance in this connection. This item also includes the result from foreign exchange trading, where SEB is number one in Sweden and shares the number one position in the Nordic region as a total.

During 2009 the Net result of financial transactions was positively affected by increased volatility during the first six months of the year and by high foreign exchange and interest trading activities. This increase should also be seen in the light of the Bank's value losses of SEK 1.2bn last year, which were related to the bond portfolio and the exposure on Lehman Brothers.

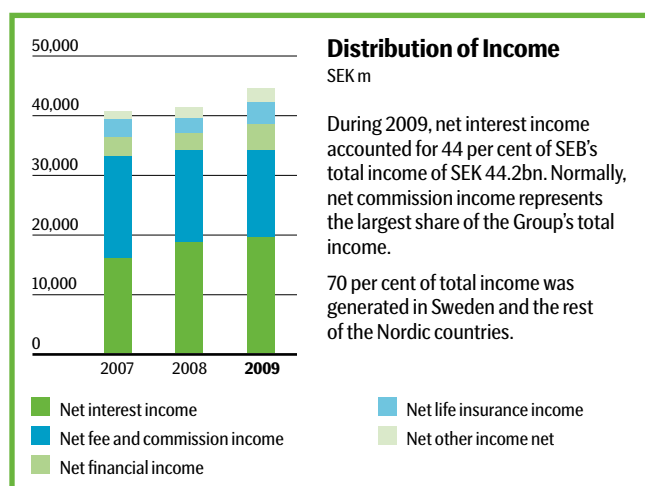
4 Life insurance income, net

This item includes the sales of life insurance products, of which unit-linked insurance accounts for a very large share.

Life insurance income, net, increased during the past year by 51 per cent compared with 2008, mainly due to increased unit-linked insurance values.

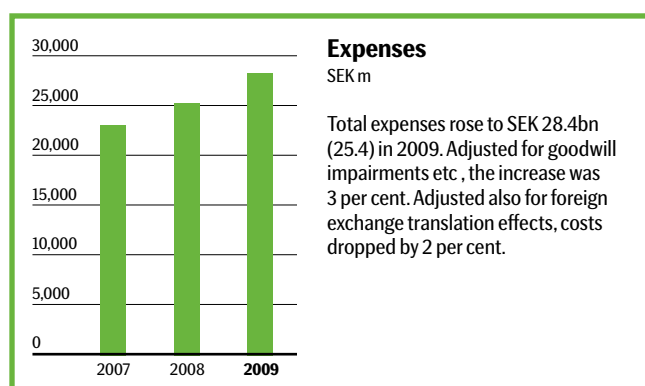
5 Other income, net

Under this heading we find capital gains and dividends, among other things. During 2009, SEB repurchased own subordinated loans, which led to a capital gain of SEK 1.6bn. During 2008 SEB reported capital gains of SEK 800m.



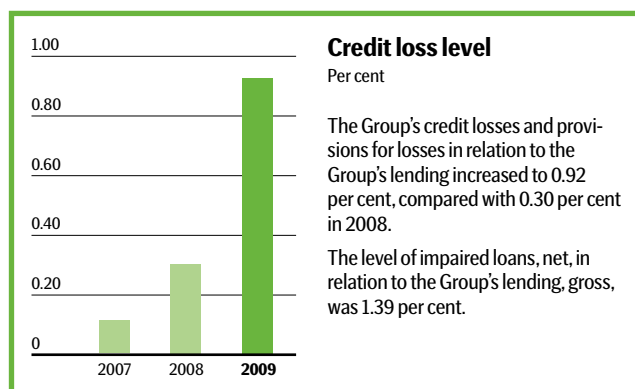
6 Expenses

Total expenses increased by 3 per cent during 2009 on a comparable basis, i.e. excluding depreciation of goodwill of SEK 3bn in total on the Bank's investments in Eastern Europe during 2009 and restructuring costs of SEK 600m during 2008. Staff costs dropped by 4 per cent while other costs, including investments in IT operations, rose by 6 per cent.



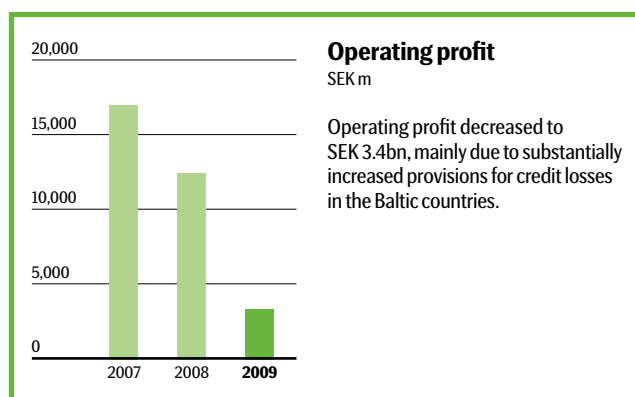
7 Credit losses

The Group's credit losses consist of both incurred losses and probable losses, where SEB has established that the counterparty will probably not be able to fulfil its payment obligations. Possible recoveries will affect net credit losses positively. During 2009, provisions for credit losses increased strongly and the loss level rose to 0.92 per cent of lending, mainly due to the serious financial problems that affected the Baltic countries. In the Nordic region, credit quality remained high.



8 Operating profit

Operating profit fell to SEK 3,372m (12,471). Operating profit before credit losses increased by 1 per cent, to SEK 15,816m. Adjusted also for capital gains, goodwill depreciation and restructuring costs operating profit rose by 11 per cent, to SEK 17,215m.



9 Net profit

Net profit for the year, that is operating result after tax, amounted to SEK 1,178m (10,050). This amount forms the basis of the calculation of earnings per share and strengthens the share capital of the Bank.

Balance sheet

The book value of the Group's assets, liabilities and equity is shown here.

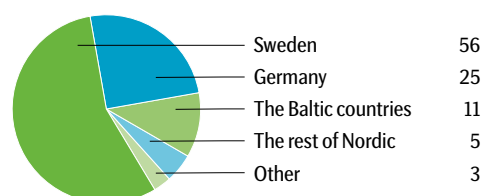
Balance sheet				
	SEK m	2009	2008	Change, %
1 Assets				
Cash and cash balances with central banks		36,589	44,852	-18
Loans to credit institutions		331,460	266,363	24
Loans to the public		1,187,837	1,296,777	-8
Financial assets at fair value ¹⁾		581,641	635,454	-8
Available-for-sale financial assets ¹⁾		87,948	163,115	-46
Held-to-maturity investments ¹⁾		1,332	1,997	-33
Investments in associates		995	1,129	-12
Tangible and intangible assets		27,770	29,511	-6
Other assets		52,655	71,504	-26
Total assets		2,308,227	2,510,702	-8
2 Liabilities and equity				
Deposits by credit institutions		397,433	429,425	-7
Deposits and borrowing from the public		801,088	841,034	-5
Liabilities to policyholders		249,009	211,070	18
Debt securities		456,043	525,219	-13
Financial liabilities at fair value		191,440	295,533	-35
Other liabilities		75,149	71,565	5
Provisions		2,033	1,897	7
Subordinated liabilities		36,363	51,230	-29
Total equity		99,669	83,729	19
Total liabilities and equity		2,308,227	2,510,702	-8
¹⁾ Of which bonds and other interest bearing securities inclusive derivatives.		457,209	628,675	-27

1 Assets

The most important item is lending to the general public (households, companies etcetera) and credit institutions, accounting for a little over 50 per cent of assets. Holdings of interest-bearing securities is another important item.

Lending

Geographical distribution, 2009



Sweden accounted for the largest part, SEK 736bn, of SEB's total lending at SEK 1,308bn in 2009. 47 per cent was attributable to corporate customers, property management etc., 16 per cent to banks and 37 per cent to households. SEB's lending in the Baltic countries amounted to SEK 143bn or 11 per cent of the Group's total lending. Corporate customers, property management etc accounted for 53 per cent and households for 40 per cent.

2 Liabilities and shareholders' equity

Here, the most important items are liabilities to credit institutions and deposits/borrowing from the general public. Securities issued by SEB are important liabilities, too.

Shareholders' equity consists of the original share capital, capital contributions through new issues, net profit for the year and retained earnings (See further under section on Capital coverage).

Use of profits

The size of the dividend is determined by the SEB Group's financial position and opportunities.

For 2009, the net profit for the year after tax was SEK 1,178m corresponding to SEK 0.58 per share. The Board of Directors proposes that SEK 2,193m, or SEK 1.00 per share, be distributed to the shareholders. This decision should be seen against the background of the withheld dividend for 2008, the improved economic climate and the strong capital situation of the Bank.

Some important key figures

Some key figures of importance for analysing the result are shown here.

Key figures

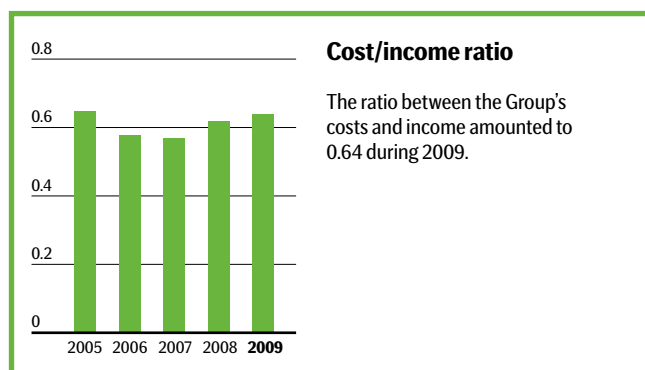
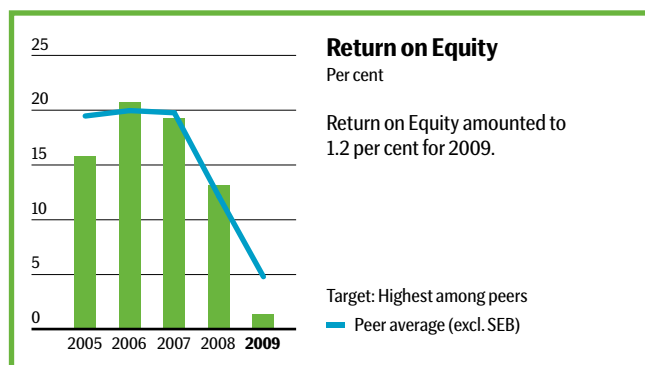
	2009	2008
Return on Equity, per cent	1.2	13.1
C/I-ratio	0.64	0.62
Tier I capital ratio, per cent		
Basel II without transitional floor	13.9	10.1

Return on equity

The goal of the SEB Group is to achieve a profitability, or return on shareholders' equity, that is one of the highest among comparable banks and that its profit growth shall be sustainable.

Calculated as follows, the profitability for 2009 was 1.2 per cent:

$$\frac{\text{SEK 1.2bn (net profit)}}{\text{SEK 95.4bn (average capital)}} = 1.2 \text{ per cent}$$



Cost/income ratio

The Cost/Income ratio, that is the ratio between costs and income, is an important measurement of the Group's efficiency. During 2009 the C/I-ratio was 0.60 (0.62) adjusted for goodwill depreciation.

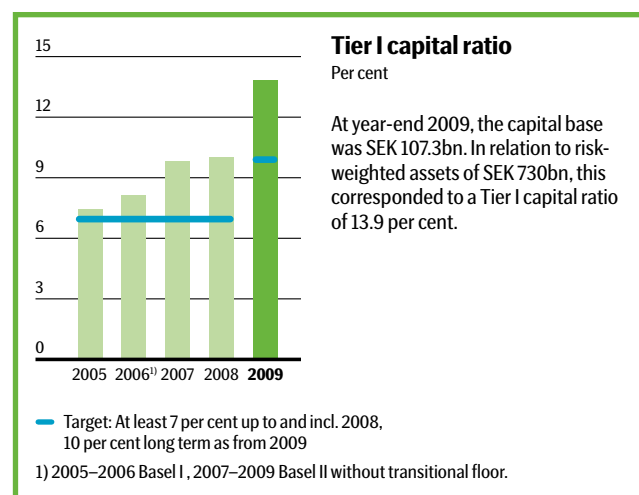
Capital strength

Shareholders' equity is the core of the Group's capital base, upon which the Bank's capital ratio is calculated. In addition, SEB works with capital in the form of subordinated debt and bond loans that SEB has raised in the international capital market. Subject to special rules some of the debenture loans may be included in the Bank's total capital base, upon which the total capital ratio is calculated. The size of the capital base determines how much the Bank is able to lend and invest in total.

SEB's Tier I capital ratio shows the Group's core capital (excluding insurance operations) in relation to business volumes (weighted according to special risk classes).

At year-end 2009, the Bank was one of the financially strongest banks in Europe, with a Tier I capital ratio of 13.9 per cent and a core Tier I capital ratio of 11.7 per cent. The Tier I capital ratio is calculated as follows

$$\frac{\text{SEK 107.3bn (capital base)}}{\text{SEK 730.0bn (risk-weighted assets)}} = 13.9 \text{ per cent}$$



Clear distribution of responsibilities

It is essential to have a clear and effective structure for responsibility distribution and governance in order to maintain confidence in SEB among customers, shareholders and other interested parties.

SEB attaches great importance to the creation of clearly defined roles for officers and decision-making bodies. The structure of responsibility distribution and governance comprises:

- The Annual General Meeting.
- The Board of Directors.
- The President/Group Executive Officer.
- The divisions, business areas and business units.
- Staff and support functions.
- Internal Audit, Compliance and Risk Control.

Annual General Meeting

Shareholders' influence on the Bank is exercised at the Annual General Meeting, which is the highest decision-making body of the Bank.

The Annual General Meeting passes resolutions concerning amendments to the Articles of Association and the appropriation of profits, among other things, elects the Board of Directors and Auditor and decides on the remuneration to the Board of Directors and the Auditor.

Information about SEB's largest shareholders as per 31 December 2009 is found on page 32.

Board of Directors

The Board members are appointed by the shareholders at the Annual General Meeting

for a one-year term of office until the end of next Annual General Meeting. During 2009, 16 Board meetings were held. Essential matters dealt with included the following:

- Strategic direction of Group activities.
- Capital and financing issues, including risk limits.
- The rights issue of the Bank.
- Thorough review of business areas and market segments.
- Long-term incentive programmes, succession planning and management supply.
- Interim reports and annual report.

Certain tasks of the Board of Directors are carried out in committee form. *The Risk and Capital Committee* is responsible for credit processes, credit policies and capital issues, among other things. *The Audit and Compliance Committee* is responsible for ensuring the quality of the Bank's financial reporting and maintains contact with the external auditors of the Bank, etc. *The Remuneration and Human Resources Committee* handles issues concerning compensation to the President and certain other senior officers, incentive programmes, pension plans and management supply issues.

The President and CEO

The President is appointed by, and reports to, the Board of Directors.

The President is responsible for the day-to-day management of Group activities in accordance with the guidelines of the Board of Directors and established policies.

The President has three different committees at her disposal; the *Group Executive Committee* (business issues), the *Group Credit Committee* (credit issues) and the *Asset and Liability Committee* (capital and risk issues).

Divisions and support functions

SEB's activities are organized in five Divisions: Merchant Banking, Retail Banking, Wealth Management, Life and Baltic and three support functions supporting all divisions: *Group Operations*, *Group IT* and *Group Staff*.

Control functions

The Group has three control functions: *Internal Audit*, *Group Compliance* (compliance with rules and ethics) and *Group Risk Control* (supervision of credit and market risks, operational and liquidity risks).

Compensation to the Board of Directors and Senior Officers

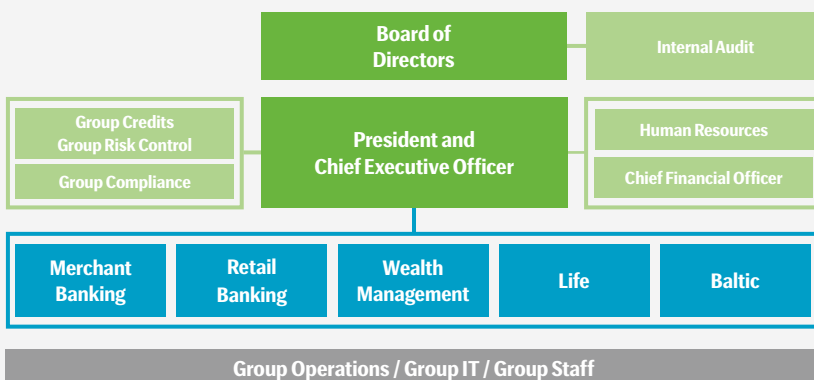
Following an initiative taken by the Board of Directors, SEB's 2009 Annual General Meeting decided to reduce the basic remuneration of the Board members by 25 per cent, while the remuneration for committee work was left unchanged. Thus, the total remuneration amount was SEK 7,587,500, of which SEK 2,062,500 to the Chairman of the Board.

The Annual General Meeting approved the Board's proposal concerning compensation principles and other terms of employment for the President and the Group Executive Committee.

In addition, the Meeting decided to launch three new long-term equity based programmes for 2009.

SEB applies the Swedish Code of Corporate Governance. The complete corporate governance report is found in SEB's annual report and on the Group's homepage, www.sebgroup.com

SEB's organisation



The Baltic at centre of SEB's risk management

Risk management is a vital activity for a bank. In order to provide its customers with financial solutions and products SEB assumes different risks, mainly credit risk. During 2009, extensive work has been done in order to guide SEB and its Baltic operations through the crisis in the best way possible.

Credit losses increased...

The Baltic countries are part of SEB's home market since the late 1990s and accounted for 11 per cent of the SEB Group's loan portfolio in 2009. Against the background of the significant economic challenges in Estonia, Latvia and Lithuania in recent years, this region was at the centre of SEB's risk management activities during 2009.

For SEB, the serious economic situation led to a sharp increase in provisions for credit losses in the Baltics in 2009. At year-end, provisions totalled SEK 9.6bn, or 5.4 per cent of lending, compared with SEK 1.7bn and 1.3 per cent in 2008.

...but the inflow of past due loans stopped

However, since June 2009 the inflow of new, past due loans has slowed down markedly, which indicates that the situation has stabilised. Also other developments indicate that the worst is over and a more broad-based economic recovery is currently expected in the Baltic region in the second half of 2010.

Intensified restructuring and work-out activities

In order to guide the Bank and its customers through the crisis in the best way possible, SEB has established a Special Credits Management Unit – a restructuring and work-out team – which now includes over 200 staff that are stationed in, or focused on, the Baltic region. To a great extent, this work is carried out together with the customers.

Major exposures have been reviewed centrally, while minor loans are handled and monitored by local credit-handling units.

The loan claims of the Bank can be divided into three categories:

- Leasing of vehicles and transport equipment.
- Commercial real estate.
- Residential mortgage loans.

SEB's *leasing portfolio* in the Baltic countries comprises private cars, trucks and transport vehicles. At year-end 2009, the corresponding value was SEK 15bn, of which approximately 25 per cent was considered high-risk. The Bank is continually selling repossessed vehicles, both inside and outside the Baltics. In February 2010, the discount to book value was between 35 and 40 per cent.

A key lesson from the Nordic crisis in the 1990s was that shareholder value can be protected, if real estate assets are incubated and professionally managed until economic recovery has started and demand for such assets returns. SEB has therefore formed a special holding company in each of the three countries, which step by step will acquire real estate assets at public auctions.

At year-end 2009, SEB's lending to real estate companies in the Baltic countries amounted to SEK 27bn, of which 30 per cent constituted doubtful loans.

SEB is convinced that the vast majority of all homeowners should be able to remain owners of their property. SEB has made individual reviews and tries to find solutions by taking the overall situation of the

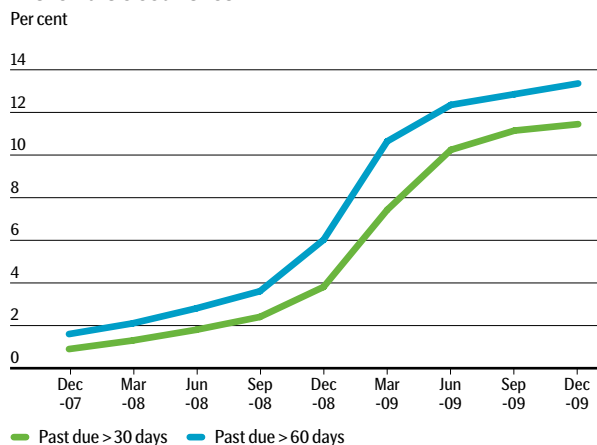


homeowner into account. Such solutions may include a grace period for amortisations and capitalisation of part of interest, for example.

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

Concurrently with the lower inflow of new, non-performing loans Management's focus has gradually been moved towards the long-term development of the strong customer franchise. In November 2009, Baltic private customers ranked SEB number one in the region.

Past due volumes in per cent of lending to the public in the Baltic countries



Stronger commitment to sustainable development

Banks play an important role in society by supporting company growth and trade. In 2009, we deepened our commitment to sustainable development. Significant emissions reductions and work to integrate sustainability efforts into all business activities form the basis of our increased ambitions.

New corporate sustainability strategy

The purpose of our engagement in corporate sustainability is to continue to be a successful company, to assist and enable SEB stakeholders to become more oriented towards a sustainable development and to contribute to such efforts in the communities in which we are present. Five decisions taken in 2009 provided the platform for our work during the year:

- Reduce SEB's carbon emissions by 45 per cent by 2015.
- Fully compensate for own emissions starting in 2009.
- Engage stakeholders through:
 - stakeholder survey on SEB's current sustainability performance and renewal efforts
 - internal sustainability business seminar to capture innovative business ideas and engage employees.
- Strengthen communication and activate all areas (Environment / Social / Governance).

SEB's sustainability strategy is focused on eight key priorities, supported by our Code of Business Conduct. We adhere to numerous international agreements, including the UN's Global Compact and Principles for Responsible Investments (PRI). The purpose of the Code of Business Conduct is to ensure that high ethical standards are an integral part of the way we conduct our business.

Reducing our environmental impact

In order to reach our goal of reducing CO₂ emissions by 45 per cent by 2015, we launched a special CO₂-reduction project in 2009. Replacing fossil energy sources with renewable sources has the highest priority and will be implemented in all our main markets as soon as possible. We have also started several projects to reduce carbon emissions from our office premises, computer centres, printed matter and business travel.

Investing in communities

SEB is committed to contributing to economic and social development in the communities where the Bank operates. SEB promotes community development through programmes focused on a number of key themes, including entrepreneurship, youth advancement, sports and culture. Since 1997, SEB has co-operated with Mentor, which focuses on the role of adults in youth development and advancement mainly through mentorship programmes. The Mentor collaboration has gradually been expanded and today covers Sweden, Germany, Lithuania, Estonia (from 2010) and Latvia (from 2010).

During 2009, in collaboration with Arbetsförmedlingen, the Swedish job centre, SEB offered 100 unemployed a three-month internship within the Bank. The purpose was to facilitate their entry into the job market and to make a contribution in a challenging economic climate.



Eight business priorities

SEB's sustainability strategy is focused on eight business priorities:

- **Reducing our footprint:** Managing our direct environmental impact.
- **Sustainable finance and investments:** Together with our customers, reduce the negative social and environmental impact related to our finance and investment activities. Work to increase our and our customers positive contribution through offering sustainable products and services.
- **Responsible selling and marketing:** Assist our customers in reaching their financial objectives. Ensure that our customers understand the consequences of our advice and their overall dealings with us.
- **Tackling financial crime:** Actions to prevent money laundering, fraud and financing of criminal activity.
- **Responsible ownership:** Ensure that we perform our ownership role responsibly, promoting good business ethics and governance, and displaying good corporate citizenship.
- **A great place to work:** Create a modern workplace that provides scope for individual development and promotes diversity and work-life balance.
- **Access to financial services:** Promoting equal access to financial services regardless of socio-economic standing, ethnic origin or other factors.
- **Investing in communities:** Supporting the development of local communities, including support of youth development and the growth of small and medium-sized enterprises.

Our efforts at reducing our environmental impact are based on a five-step approach:

1. Measure and report our carbon footprint.
2. Avoid carbon-intensive activities as far as possible.
3. Reduce energy consumption and business travel.
4. Replace fossil energy with renewable energy.
5. Offset remaining CO₂ emissions by investing in emission-reducing projects in developing countries.

In 2009 we decided to compensate last year's carbon emissions through a so-called Gold Standard project in China, approved by the UN.

Sustainable finance and investments

We support the transition to a low-carbon economy. This means addressing both sustainable business opportunities and sustainability risk factors in our financing and investment activities.

In 2009 we began work on our first sector policy statements, highlighting the social and environmental standards that we demand in order to provide services or make investments. The focus is on sectors where there is a high level of environmental and social aspects to be considered and which are of relevance to SEB's business. Some ten sectors have been selected for review and the first policies will be presented in 2010.

Responsible ownership

SEB is one of Sweden's largest institutional shareholders. We invest in small and large companies all over the world for the account of our private, corporate and institutional customers. We attach great importance to structured sustainability work within our portfolio companies. We believe this is prerequisite for long-term value creation and attractive financial returns. Our signing of the UN Principles for Responsible Investments (PRI) in 2008 is a recognition of our commitment to contribute to a more sustainable development globally.



Why does SEB work for sustainable growth?

SEB is engaged in a number of activities for the purpose of making economic growth sustainable, including climate and environmental work, education, support of exposed youth and other activities. Is it really reasonable that a commercial bank should engage in that sort of activities?

The answer is yes. SEB's business concept is to help private and corporate customers to obtain credit, make payments and savings, invest in pensions and other financial services. Our activities like those of our customers have an impact upon the social economy. Ever since it was founded the Bank has actively stimulated investments and economic growth. Today, we must also take increased responsibility so that our operations and the services that we provide do not lead to negative economic, social or environmental consequences.

In recent years those demands have tightened, both on part of customers and the political sphere. The American economist Milton Friedman argued back in the 1970s: "The business of business is business." Period. The task of companies was to maximize their profits and it was up to politicians to set up the rules. But Mr Friedman's statement was made in a situation when the market economy was still challenged by planned economies. It should be regarded as a statement in that struggle and as a contribution to make the market more efficient.

Today, the market economy has defeated the planned economy and no new challengers can be found. At the same time, many people worry that short-term profit maximization risks to lead to ruthless exploitation of both people and environment, not least in the fast-growing and recently industrialized countries in the developing world.

In this situation Friedman's attitude is inadequate. Running the risk of sounding politically correct, I will claim that Pippi Longstocking's motto: "He who is very strong must also be very nice" is a better maxim for the victorious. Companies must take a broader responsibility for the future than just applying short-term profit maximization.

This responsibility has appeared under many different names. Originally, it was referred to as "Corporate social responsibility", whereas today "sustainability" is used at least as often. This means working for sustainable growth. The orientation of corporate responsibility has also changed character. While it earlier mostly was seen as an external restriction on operations, it has increased in importance in recent years and is nowadays an integral part of most large companies' business plan.

In 2008 the Economist published a survey of the matter and found companies engaging in sustainability issues for several different reasons: Avoid tarnishing their brand names, a way of supporting long-term operations, improve staff motivation and facilitate recruitment, etc. etc.

The Economist concluded that sustainability was "ubiquitous" and could be characterized as "enlightened self-interest". That is a good expression. Most companies have an enlightened self-interest in bringing about technological development that makes the resources of the world last longer. This applies to banks, too.

SEB has therefore decided to reduce emissions from its own activities sharply, while at the same time increasingly integrate sustainability issues into its business operations. This is an enormous task that will take several years to implement. It will not be easy and we will certainly run into numerous conflicts of goals and difficult adjustments.

However already at this stage we have managed to introduce a number of "green" products. In 2009 SEB launched a "green bond" issue together with the World Bank for the purpose of financing investments in renewable energy in the third world, among other things.

On that score it is obvious that the Economist survey of employee motivation was correct, at any rate as far as I am personally concerned. I have worked in SEB for more than 15 years, but what makes me most proud is probably precisely this – of having been part of the development of a new financial product that can benefit poor countries and yield a return for Swedish pension savers at the same time.

I look forward to walking further along that road.



Klas Eklund, Senior Advisor and former Chief Economist of SEB.

Increased motivation among employees

To be perceived as a strong and attractive employer where people take pride in working is one of SEB's success factors. The corporate culture of SEB is permeated with responsibility and professionalism, and the customers' needs are always in focus.

SEB has a long tradition of being a leading corporate bank. The Bank is managed with a strong focus on business acumen and long-term relations. Solid customer relationships, highly skilled employees and continuous improvements are decisive factors for SEB to be leading in terms of customer satisfaction and profitability. The ability to work across company borders is of vital importance.

Through a recurrent employee survey, called Voice, the Management gets a comprehensive picture of how employees view the Bank's activities. The results are used to identify and prioritise actions that will help make SEB even better. The 2009 Voice survey showed clear improvements. Our employees are more motivated, with a stronger sense of working in an efficient and learning organization. The marks for the managers and the knowledge about the Bank's vision and goals were higher than in the previous survey, too.

Individual targets

SEB offers numerous development opportunities for specialists, generalists and managers. Every employee is expected to take considerable responsibility for his/her own work as well as for his/her individual and career development. The corporate culture is based upon the Bank's common core values: commitment, continuity, mutual respect and professionalism. Combined with the Bank's code of business conduct these values provide all employees with a guide for how to act.

Setting individual targets and follow-up routines is of fundamental importance in SEB's performance culture. Performance is continuously followed up through a structured dialogue between managers and employees. The purpose of these dialogues is to clarify how



employees' individual targets and performance are linked to SEB's strategy, goals and success,

Equality and diversity

SEB works steadily in order to increase equality within the Bank so that all employees have equal opportunities for development and for making a career, regardless of gender, ethnic origin, age, sexual inclination or religion.

According to the Group diversity plan, the long-term goal is that each gender shall be represented by at least 40 per cent at each level within the organization. In 2009, 58 per cent of the Group's employees were women and 42 per cent men. The share of women in managerial positions was 42 per cent (44), while 27 per cent (26) were holding senior managerial positions.

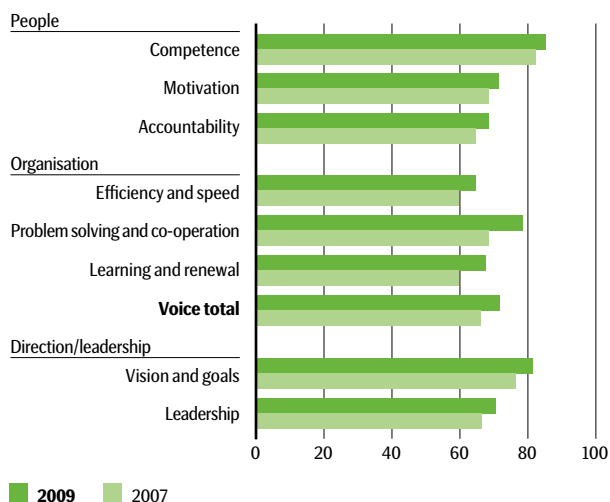
Competence maintenance and talent management

Access to the right competence, today as well as in the future, is of overriding importance if SEB is to reach its long-term goals. This is why the Bank actively seeks to identify and develop talented people. Employees who have shown particularly good performance and a potential for taking on more responsibility form part of SEB's global talent pool, an important instrument for the Bank's succession planning and talent pipeline.

In order to build up the talent pool for the future the Bank has both a global trainee programme for young academics and a young professional's programme for the Swedish retail organization. During 2009, 20 per cent of the participants were of non-Swedish origin.

SEB Voice 2009

Group results, percentage positive answers



Remuneration system to attract, motivate and retain people

SEB has a clear remuneration philosophy, based on the promotion of an internal culture that long-term aims to benefit customers in the best way possible and thus over time will give the Bank's shareholders the best possible return. Employees' competence and commitment to SEB's customers are of vital importance to the Bank's long-term development.

The ambition of the Board is to create a remuneration system that attracts, motivates and retains skilled employees. Remuneration should be competitive in the markets and segments where SEB operates in order to motivate high-performing employees.

The Bank's competitors consist of other Swedish and Nordic banks as well as certain global players. As more than half of SEB's income is attributable to business with large global companies and financial institutions, the remuneration model within these business areas needs to reflect the international market in which the Bank is acting and competing.

Remuneration is designed to reward conduct that encourages sound risk management and stellar performance that over time follows the profit development of the Group. We are convinced that the Bank's activities are better controlled, if part of the total remuneration is withheld and only paid once pre-set targets have been met.

However, depending on market practice, the mix between fixed and variable remuneration differs within different parts of the Bank. We wish to measure and reward all performance that benefits the Bank's customers and shareholders in the long term.

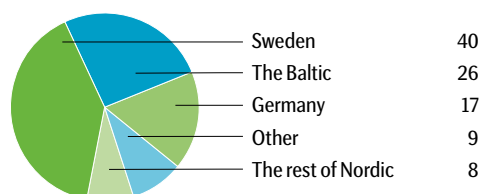
The Bank's remuneration system consists of the following components:

- Fixed salary.
- Short-term cash based or variable remuneration (where the outcome depends upon whether or not certain pre-set targets are attained such as customer satisfaction and profitability, given a pre-determined risk level).
- Long-term equity-based remuneration in order to make sure that the long-term interests of shareholders are properly looked after.
- Pension benefits and other perquisites.

The distribution of these components depends upon the employee's position within the Bank and area of expertise.

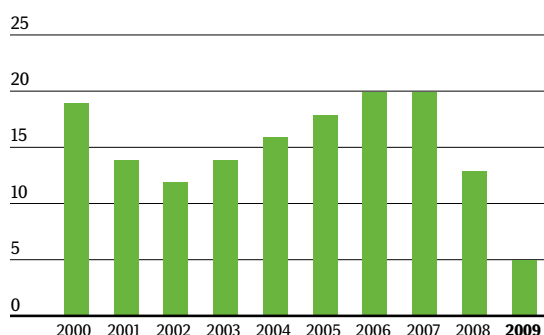
SEB's employees, geographical distribution

Per cent



Variable remuneration reduced

Short-term variable cash compensation in relation to total staff costs (incl. social charges), per cent



In 2009, short-term cash based variable remuneration corresponded to 5 per cent of SEB's total staff costs, compared with 13 per cent in 2008. The reduced short-term remuneration affected all SEB employees, reflecting the lower operating result of the Bank.

No one in the Group Executive Committee qualifies for short-term variable remuneration, in accordance with the resolution on remuneration principles that was approved by the shareholders of the Bank at the 2009 Annual General Meeting. None of the Bank's 60 top managers received short-term cash based variable remuneration in 2009, also reflecting the Bank's lower operating result.

The equity-based, long-term remuneration consisted of three different programmes in 2009:

- A Share Savings Programme, in which all employees are offered to save up to 5 per cent of their salary during a twelve-month period and SEB shares are bought for the saved amount four times a year. If an employee keeps the shares during three years and remains an SEB employee, he/she will receive one more share for each share saved. The purpose of this programme is to strengthen motivation for SEB's common goals and increase employees' commitment to the Bank.
- A Performance Share Programme that is linked to total shareholder return in relation to SEB's competitors and in relation to the long-term risk-free interest rate. The purpose of this programme is to align employees' interests with the long-term interests of the Bank's shareholders.
- A Share Matching Programme for selected key employees who play a decisive role for the SEB Group's future profit growth.

SEB adheres to the Swedish Financial Supervisory Authority's regulatory framework for remuneration within the financial sector, applicable since 1 January, 2010.

Board of Directors



Marcus Wallenberg



Tuve Johannesson



Jacob Wallenberg



Urban Jansson



Dr Hans-Joachim Körber



Tomas Nicolin



Christine Novakovic



Jesper Ovesen



Carl Wilhelm Ros



Annika Falkengren



Göran Lilja



Cecilia Mårtensson



Göran Arrius

MARCUS WALLENBERG ^{2) 3) 7)}

Born 1956, elected 2002, B.Sc. (Econ) and Foreign Service

Chairman since 2005.

Other assignments: Chairman of Saab and Electrolux. Honorary Chairman of ICC (International Chamber of Commerce). Deputy Chairman of Ericsson. Director of AstraZeneca, Stora Enso, Temasek Holding and Knut and Alice Wallenbergs Foundation.

Own and closely related persons' shareholdings: 757,282 class A-shares and 1,473 class C-shares.

TUVE JOHANNESSEN ⁸⁾

Born 1943, elected 1997. B.Sc. (Econ), MBA and Econ. Dr. H.C.

Deputy Chairman since 2007.

Other assignments: Chairman of Ecolan International, IBX Integrated Business Exchange and the Lund University School of Economics and Management Advisory Board. Director of Incentive, Cardo and Meda. Industrial advisor to EQT and JCB Excavators.

Own and closely related persons' shareholdings: 200,000 class A-shares.

JACOB WALLENBERG

Born 1956; elected 1997. B.Sc. (Econ) and MBA.

Deputy Chairman since 2005 (Chairman 1998–2005).

Other assignments: Chairman of Investor and Air Plus TV. Deputy Chairman of Atlas Copco and SAS. Director of ABB, Knut and Alice Wallenbergs Foundation, the Coca Cola Company and Stockholm School of Economics.

Own and closely related persons' shareholdings: 430,617 class A-shares.

PENNY HUGHES

Born 1959, elected 2000, B.Sc. (Chemistry). Resigned as from 20 October 2009.

URBAN JANSSON ¹⁾

Born 1945, elected 1996, Higher bank degree (Skandinaviska Enskilda Banken).

Other assignments: Chairman of Bergendahl's, Global Health Partner, HMS Networks, Rezidor Hotel Group and others. Director of Clas Ohlson, Höganäs and others.

Own and closely related persons' shareholdings: 53,840 class A-shares.

DR HANS-JOACHIM KÖRBER

Born 1946, elected 2000, Ph.D.

Other assignments: Director of Air Berlin, Bertelsmann, Esprit Holding and Sysco.

Own and closely related persons' shareholdings: 4,900 class A-shares.

TOMAS NICOLIN ⁹⁾

Born 1954; elected 2009

B.Sc. (Econ) and M.Sc. (Management).

Other assignments: Director of Nordstjernan, Active Biotech, Q-Med, Nobel Foundation, Axel and Margaret Ax:son Johnson's Foundation, Centre for Justice and Research Institute of Industrial Economics. Member of Advisory Board Stockholm School of Economics, Investment Committee of NIAM Property Fund and Näringslivets Börskommitté.

Own and closely related persons' shareholdings: 64,000 class A-shares.

CHRISTINE NOVAKOVIC ⁹⁾

Born 1964, elected 2008, B.Sc. (Econ)

Other assignments: Director of Earth Council, Genève and DEAG Deutsche Entertainment, Berlin.

Own and closely related persons' shareholdings: 5,700 class A-shares.

JESPER OVESEN ³⁾

Born 1957, elected 2004, B.Sc. (Econ) and MBA.

Other assignments: CFO of TDC. Director of FLSmidth & Co and Danisco.

Own and closely related persons' shareholdings: 5,000 class A-shares.

CARL WILHELM ROS ⁴⁾

Born 1941, elected 1999. M.Sc. (Politics and Econ).

Other assignments: Chairman of Martin Olsson. Director of Anders Wilhelmsen & Co, Camfil, INGKA (Ikea) Holding and Bisnode.

Own and closely related persons' shareholdings: 16,816 class A-shares and 38 class C-shares.

ANNIKA FALKENGREN ³⁾

Born 1962, elected 2005 (effective as of 1 January 2006), SEB employee since 1987, B.Sc. (Econ).

President and Chief Executive Officer as of 10 November 2005.

Other assignments: Director of Securitas, Ruter Dam, IMD Foundation and the Mentor Foundation.

Own and closely related persons' shareholdings: 378,487 class A-shares and an allotment of 483,602 performance shares.

Directors appointed by the employees

GÖRAN LILJA

Born 1963; appointed 2006, Higher bank degree. Chairman Financial Sector Union of Sweden SEB Group. Deputy Chairman Regional Club Väst of the same union. Director of the European Works Council SEB Group since 2006.

Own and closely related persons' shareholdings: 2,359 class A-shares.

CECILIA MÅRTENSSON

Born 1971; appointed 2008, Education in economy and labour law, certificate in personnel strategies.

Deputy Chairman Financial Sector Union of Sweden SEB Group. Chairman local Club Group Operations of the same union. Director Financial Sector Union of Sweden.

Own and closely related persons' shareholdings: 3,573 class A-shares and 120 class C-shares.

Deputy Director appointed by the employees

GÖRAN ARRIUS

Born 1959; appointed 2002, Naval Officer. Chairman Association of University Graduates at SEB and JUSEK. Member of the Board of SACO.

Own and closely related persons' shareholdings: 707 class A-shares.

- 1) Chairman of the Board's Risk and Capital Committee.
- 2) Deputy Chairman of the Board's Risk and Capital Committee.
- 3) Member of the Board's Risk and Capital Committee.
- 4) Chairman of the Board's Audit and Compliance Committee.
- 5) Deputy Chairman of the Board's Audit and Compliance Committee.
- 6) Chairman of the Board's Remuneration and HR Committee.
- 7) Deputy Chairman of the Board's Remuneration and HR Committee.
- 8) Member of the Board's Remuneration and HR Committee.
- 9) Member of the Board's Audit and Compliance Committee.

Group Executive Committee and Auditors



Annika Falkengren



Johan Andersson



Jan Erik Back



Fredrik Boheman



Hans Larsson



Bo Magnusson



Magnus Carlsson



Ingrid Engström



Viveka Hirdman-Ryberg



Martin Johansson



Anders Mossberg



Mats Torstendahl

ANNIKA FALKENGREN

Born 1962, SEB employee since 1987, B.Sc. (Econ).

President and Chief Executive Officer as of 10 November 2005.

Other assignments: Director of Securitas, Ruter Dam, IMD Foundation and the Mentor Foundation.

Own and closely related persons' shareholdings: 378,487 class A-shares and an allotment of 483,602 performance shares.

JOHAN ANDERSSON

Born 1957, SEB employee since 1980, B.Sc. (Econ).

Head of Group Credits and Risk since 2004.

Own and closely related persons' shareholdings: 30,691 class A-shares, 154 class C-shares, an allotment of 81,930 performance shares and 6,695 deferral rights.

JAN ERIK BACK

Born 1961, SEB employee since 2008, B.Sc. (Econ).

Executive Vice President, Chief Financial Officer since Augusti 2008.

Own and closely related persons' shareholdings: 18,927 class A-shares and an allotment of 161,289 performance shares.

FREDRIK BOHEMAN

Born 1956, SEB employee since 1985, M.A. Executive Vice President, Head of the Wealth Management division since January 2007.

Other assignment: Director of Teleopti.

Own and closely related persons' shareholdings: 45,783 class A-shares, 83,500 call options, an allotment of 241,584 performance shares and 39,142 deferral rights.

MAGNUS CARLSSON

Born 1956, SEB employee since 1993, B. Sc. (Econ).

Executive Vice President, Head of the Merchant Banking division since 2005.

Own and closely related persons' shareholdings: 26,444 class A-shares and an allotment of 214,409 performance shares.

INGRID ENGSTRÖM

Born 1958, SEB employee since 2007, M. Psychology.

Executive Vice President, Head of Human Resources & Organisational Development since March 2007.

Other assignments: Director of Teracom and Springtime.

Own and closely related persons' shareholdings: 4,886 class A-shares, an allotment of 124,347 performance shares and 20,601 deferral rights.

VIVEKA HIRDMAN-RYBERG

Born 1963, SEB employee since 1990, Licentiate of Science in Economics from Stockholm School of Economics.

Head of Communications since September 2009.

Own and closely related persons' shareholdings: 9,719 class A-shares and an allotment of 44,007 performance shares.

MARTIN JOHANSSON

Born 1962, SEB employee since 2005, B.Sc. (Econ).

Head of the Baltic division since the start in June 2009.

Own and closely related persons' shareholdings: 2,578 class A-shares, an allotment of 90,135 performance shares and 17,511 deferral rights.

HANS LARSSON

Born 1961, SEB employee since 1984, B.Sc. (econ).

Head of Group Strategy and Business Development since January 2009.

Own and closely related persons' shareholdings: 20,856 class A-shares, 17 class C-shares, an allotment of 148,402 performance shares and 20,061 deferral rights.

BO MAGNUSSON

Born 1962, SEB employee since 1982, Higher bank degree.

Deputy President and CEO since July 2008. Head of Group Staff and Business Support since January 2009.

Own and closely related persons' shareholdings: 20,044 class A-shares and an allotment of 214,409 performance shares.

ANDERS MOSSBERG

Born 1952, SEB employee since 1985.

Executive Vice President, Head of the Life division since 1997.

Other assignments: Vice Chairman of Sveriges Försäkringsförbund.

Own and closely related persons' shareholdings: 23,486 class A-shares, an allotment of 292,397 performance shares and 39,142 deferral rights.

MATS TORSTENDAHL

Born 1961, SEB employee since 2009, M.Sc. (Engineering Physics).

Executive Vice President, Head of the Retail division since January 2009.

Own and closely related persons' shareholdings: An allotment of 198,409 performance shares.

Auditors

Auditors elected by the Annual General Meeting

PricewaterhouseCoopers

PETER CLEMEDTSON

Born 1956; Auditor in SEB, Partner in charge as of 2006.

Authorised Public Accountant.

PETER NYLLINGE

Born 1966; Auditor in SEB as of 2006.

Authorised Public Accountant.

Shareholding as of February 2010

The SEB share development in 2009

In 2009 the SEB Class A share rose by 41.5 per cent. Earnings per share were SEK 0.58 (10.36). The Board proposes a dividend of SEK 1.00 per share for 2009 (no dividend for 2008).

Share capital

The SEB share is listed on the Nasdaq OMX Stockholm Stock Exchange. Following SEB's rights issue of SEK 15.1bn in 2009, the share capital amounts to SEK 21,942m, distributed on 2,194.2 million shares. The Class A share entitles to one vote and the Class C share to 1/10 of a vote.

Stock Exchange trading

2009 was a year of recovery on the Nasdaq OMX Stockholm Stock Exchange and the Swedish OMX General Index increased by 44 per cent. The value of the SEB class A share was up by 41.5 per cent, while the FTSE W European Banking Index rose by 46.6 per cent. During the year, the total turnover in SEB shares amounted to SEK 126bn. SEB thus remained one of the most traded companies on the Stockholm Stock Exchange. Market capitalisation by year-end was SEK 97.3bn.

Dividend policy

The size of the dividend is determined by the economic environment as well as the financial position and growth possibilities of the Group. SEB strives to achieve long-term dividend growth without negatively impacting the Group's targeted capital ratio. The dividend per share shall, over a business cycle, correspond to around 40 per cent of earnings per share.

The largest shareholders ¹⁾

December 31, 2009	No. of shares	Of which Series C shares	Per cent of number of all shares	Per cent of votes
Investor AB	456,089,264	2,725,000	20.8	20.9
Trygg Foundation	201,928,357	0	9.2	9.3
Alecta	131,625,000	0	6.0	6.1
Swedbank/Robur Funds	94,017,883	0	4.3	4.3
AMF Insurance and Funds	59,204,615	0	2.7	2.7
AFA Insurance	46,085,425	875,560	2.1	2.1
SEB Funds	37,342,361	0	1.7	1.7
SHB Funds	33,091,445	0	1.5	1.5
Wallenberg foundations	33,057,244	5,871,173	1.5	1.5
Nordea Funds	31,082,354	0	1.4	1.4
Skandia Life Insurance	29,515,809	2,154,873	1.3	1.3
Capital Group Funds	28,337,870	0	1.3	1.3
First Swedish National Pension Fund	27,574,847	0	1.3	1.3
Fourth Swedish National Pension Fund	26,224,054	0	1.2	1.2
Second Swedish National Pension Fund	26,185,197	0	1.2	1.2
Foreign shareholders	357,946,017	1,375,802	16.4	16.5

1) Excluding SEB as shareholder through repurchased shares to hedge SEB's long-term incentive programme and for capital management.

Source: VPC/SIS Ägarservice

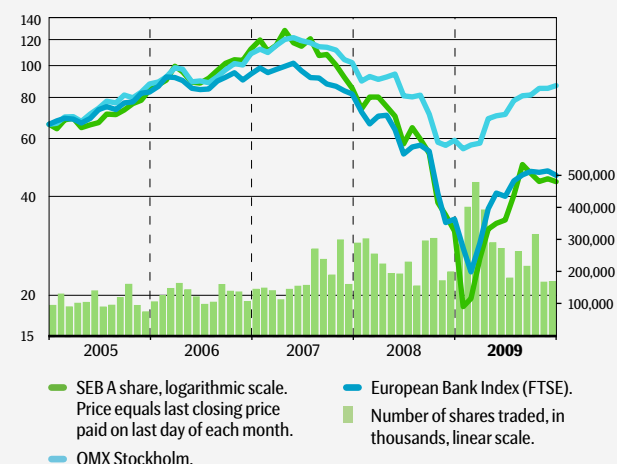
SEB Share

Data per share ¹⁾	2009	2008	2007	2006	2005
Basic earnings, SEK	0.58	10.36	14.12	13.24	8.89
Diluted earnings, SEK	0.58	10.36	14.05	13.10	8.75
Shareholders' equity, SEK	45.33	86.22	79.16	70.11	60.10
Adjusted shareholders' equity	49.91	94.81	89.96	79.78	68.30
Net worth, SEK	50.17	95.44	92.23	82.08	72.37
Cash flow, SEK	-44.86	-20.48	125.24	4.26	37.11
Dividend per A and C share, SEK	1.00	0.00	4.60	4.24	3.36
Year-end market price per Class A share, SEK	44.34	42.95	117.01	153.77	115.59
per Class C share, SEK	46.00	38.88	108.88	147.76	111.71
Highest price paid during the year per Class A share, SEK	53.00	120.90	177.10	155.54	117.01
per Class C share, SEK	55.00	112.77	169.68	150.24	112.77
Lowest price paid during the year per Class A share, SEK	15.48	36.06	110.64	107.82	86.61
per Class C share, SEK	15.22	36.06	103.93	102.87	83.43
Dividend as a percentage of result for the year, %	172.0	0.0	32.6	32.0	37.8
Yield, %	2.3	0.0	3.9	2.8	2.9
P/E	75.8	4.1	8.3	11.6	13.0
Number of issued shares, million average	1,905.5	968.5	964.7	952.3	944.6
at year-end	2,194.2	968.9	966.8	959.4	946.0

1) Previous years restated after the rights issue

SEB Share Class A

SEK



SEB's annual report is available on www.sebgroup.com

Annual General Meeting

The Annual General Meeting will be held on Tuesday 11 May, 2010 at 14.00 p.m. (Swedish time) at City Conference Centre in Stockholm.

Notices convening the General Meeting including an agenda for the Meeting will be published in the major Swedish daily newspapers and on www.sebgroup.com on Tuesday 6 April 2010.

Shareholders wishing to attend the Annual General Meeting shall

- both be registered in the shareholders' register kept by Euroclear Sweden AB on Wednesday 5 May, 2010, at the latest
- and notify the Bank in writing under address Skandinaviska Enskilda Banken AB, AGM, Box 7832, 103 98 Stockholm, or by telephone 0771-23 18 18 between 9.00 a.m. and 4.30 p.m. in Sweden or, from abroad, at +46 771 23 18 18 or via Internet on the Bank's homepage www.sebgroup.com, on Wednesday 5 May, at the latest.

Dividend

The Board proposes a dividend of SEK 1.00 for 2009.

Welcome to SEB

SEB assists 2,500 large corporations and institutions, 400,000 small and medium-sized companies and five million private individuals with financial solutions

SEB is present in 20 countries, with 21,000 employees, of whom half are outside Sweden.

SEB has a leading position as a financial partner to major companies and financial institutions and to financially active private individuals in the Nordic region. SEB is furthermore a leading unit-linked insurance company and card issuer in the Nordic countries and one of the most important asset managers in the Nordic and Baltic countries. SEB has a nationwide network in Germany.

SEB is ranked No.1 in several areas: foreign exchange trading, equity research, private banking and unit-linked insurance, for example.

SEB is the largest broker on the Nordic stock exchanges combined.

