SEB

Annual Report 09

Contents

Front cover: Sharona Gessler, SEB, Stockholm.

SEB's financial information is available on www.sebgroup.com

Financial information during 2010

Publication of annual accounts	10 February
Publication of 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:

Jan Erik Back
Chief Financial Officer
Telephone +46 8 22 19 00
E-mail: janerik.back@seb.se

Ulf Grunnesjö
Head of Investor Relations
Telephone +46 8 763 85 01
E-mail: ulf.grunnesjo@seb.se

Viveka Hirdman-Ryrberg
Head of Communications
Telephone +46 8 763 85 77
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

2009 in brief

Financial performance

- Operating income: SEK 44,213m (41,104)
- Profit before credit losses: SEK 15,816m (15,697)
- Operating profit: SEK 3,372m (12,471)
- Net profit: SEK 1,178m (10,050)
- Return on equity: 1.2 per cent (13.1)
- Earnings per share: SEK 0.58 (10.36)
- Proposed dividend: SEK 1.00 (0)

Capital and financial position

Read more on page 53

- During 2009, the strengthening of SEB's balance sheet and liquidity had highest priority.
- Capital measures aimed at improving the quality and size of the capital base included a SEK 15.1 bn rights issue, withheld dividend of SEK 4.5bn and a EUR 500m hybrid capital issue.
- 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.
- SEB also strengthened its funding position and extended the matched funding position to eighteen months.
- SEB's leverage ratio using U.S. GAAP was 18 x equity, or 5.3 per cent.

Business results

Read more on page 28

- Merchant Banking recorded its best ever result, achieving a 19 per cent increase in operating income and a 40 per cent increase in operating profit. Results were particularly strong within Trading and Capital Markets.
- Results of Retail Banking varied between the business areas. Retail Sweden and Card performed well, while results of Retail Germany were negative. Overall, operating income was down by 4 per cent and operating profit by 49 per cent.
- Wealth Management posted a 22 per cent decrease in operating income and a 43 per cent reduction in operating profit, partly due to lower market values at the beginning of the year.
- The Life division showed significant strength, with operating income up 36 per cent and operating profit up 99 per cent.
- Results in the Baltic division were affected by the negative macroeconomic developments in Estonia, Latvia and Lithuania. Operating income was down by 21 per cent and operating profit was significantly negatively impacted by goodwill impairments and provisions for credit losses.

Customer and employee satisfaction

Read more on pages 8 and 12

- Corporate and institutional clients as well as private banking customers continued to reward SEB for product and advisory excellence. Among numerous awards received during the year, SEB was e.g. named Best Bank in Sweden, No. 1 Corporate Finance House in all Nordic countries and Best Private Bank in Sweden.
- Customer satisfaction among retail customers was high in the Baltic countries and Germany but below market average in Sweden. SEB was appointed the SME Bank of the Year in Sweden.
- The employee survey Voice showed significant improvements in all main areas covered, including employee motivation.

Sustainability

Read more on page 14

- SEB took a number of steps to further deepen its commitment to corporate sustainability, including a new corporate sustainability strategy and a strengthening of sustainability governance.
- SEB became the first Nordic bank to fully offset its carbon emissions and set a target of a 45 per cent reduction of emissions by 2015.
- SEB was voted the best bank in the Nordic countries by the Carbon Disclosure Project.

Important measures taken to strengthen SEB's long-term position

It is not possible to operate a bank without maintaining a long-term stable financial position and enjoying customers', shareholders' and other stakeholders' trust. Several valuable lessons from the last few years' developments can be drawn regarding the importance of taking a long-term view, having robust risk-handling and ensuring transparency. The global banking sector has experienced a dramatic year characterised by major uncertainty about the depth and length of what is perhaps the world's first globally synchronised economic slump. The world economy is still fragile and we can see the importance of the massive support that governments and central banks provided to the financial sector. Without these support measures, the financial system could not have performed its role in a dynamic society.

Need for dialogue on new regulations

Politicians, central bankers and supervisory authorities are now working to create a new and more robust financial regulatory framework. In these efforts, it is of key importance to consider long-term consequences for the world economy – and the Swedish economy – so that the banking system's ability to lend to individuals and businesses is not hampered.

To secure this, as well as a regulatory framework that is sustainable for the long term, relevant authorities must maintain a dialogue with the financial community and make use of the work the industry has already done on its own initiative regarding risk-handling and remuneration systems. As a member of Institute of the International Finance (IIF), an international banking association, I know first-hand the substantial effort banks have put into self-critical evaluation measures needed to regain society's trust and not repeat earlier mistakes.

One example is the dialogue banks have in order to create global prerequisites and competition on equal terms between different jurisdictions. We need international harmonisation in order to avoid arbitrage between different regulatory frameworks and the possibility that some banking-like operations move outside the banking sector.

IIF's proposal from 2008 to create more long-term sustainable remuneration systems by moving to exclusively equity-related incentive programmes for top management is another example. Remuneration to SEB's management adheres to these principles.

SEB too had an exceptional year in many ways in 2009. The Bank had to deal with the global financial crisis, the severe macro-economic development in the Baltic region and criticism from customers, shareholders and politicians of the Bank's remuneration system.

A goal-oriented remuneration system is vital

The Board's assessment is that a mix of fixed and variable remuneration is an instrument for creating long-term customer and shareholder value. Our experience is that a goal oriented compensation system is a powerful tool in a company as it encourages behaviours that promote sound risk management and stellar performance. Having variable remuneration as part of the mix, contributes to a lower cost base as well as an overall remuneration level that mirrors the bank's profitability. This was obvious a year as 2009 when the proportion of variable remuneration to overall staff costs fell sharply.

SEB stands strong

SEB stands strong despite the turbulence experienced over past years and the financial crisis. The underlying business has developed well in a difficult climate. On behalf of the Board I would like to express my warm appreciation to management and all employees who have shown a great commitment to the bank's customers. The measures taken by management were fundamental to achieve the current position as one of Europe's best capitalised banks with a strong liquidity position; this without the bank utilising the Swedish government's guarantee or capital programme.

SEB is well equipped to continue supporting individuals and businesses with advice and financial means during the economic recovery which hopefully is appearing.

I would also like to thank you for the great support you as shareholders showed the bank in connection with the rights issue at the beginning of the year.

Stockholm in February 2010

Marcus Wallenberg
Chairman of the Board

Poised for investments in core areas in the Nordic region

2009 truly was 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 exuberant 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

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

Solid underlying result

Despite a year of severe economic downturn, large parts of SEB performed very well in 2009. Again our leading position as Nordic investment and wholesale bank was reaffirmed through top rankings in customer surveys and rankings, for example Prospera's survey in which Nordic institutions ranked SEB number one in both equities and corporate finance in the Nordics. We also further strengthened our clear market leading position within private banking in Sweden.

Even though operating profit fell, the underlying business has never been stronger, which is a testament to our diversified franchise and strong customer relationships. Merchant Banking and Life recorded their highest operating profit ever. Retail Banking in Sweden remained strong, attracting mortgage volumes, new SME customers and record card volumes. In Germany, the corporate business developed well while the retail business continued to struggle. Goodwill write-offs and provisions for credit losses strongly reduced results in the Baltic operations.

Stabilisation in the Baltic region

Towards the end of the year we grew more confident about the macroeconomic stabilization in the Baltic region. The net inflow of past due volumes in all three countries almost stopped during the second half of 2009, which indicates that non-performing loan formation should slow down in 2010. Also, we conducted an in-depth review of all credits. By year-end, valuations of all commercial and residential properties in the region had been concluded, reflecting the long-term recovery rates at which SEB would be willing to acquire and move these assets into its Real Estate Holding Companies. Accordingly, in the absence of any significant macroeconomic setbacks, the provisions for credit losses should develop favourably during 2010.

The impact of new regulation

As a bank, SEB has a critical role in supporting the businesses and individuals. Throughout the financial crisis, we supported our customers by providing market execution, financing and advice. A new financial landscape is now emerging. The Bank for International Settlements is recommending updates to international regulatory 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. Effective risk and principle based frameworks are ultimately more important than having more detailed regulation. The importance of a harmonised global framework must again be highlighted.

Investments in core areas

From previous business cycles, we know that now is the 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 invest in our business. Focus will be on customer acquisition and further improving our franchise with an emphasis on Merchant Banking in the Nordic countries and Germany as well as Retail Banking in Sweden.

2010 will be a financially challenging year as we will be working through our Baltic credit portfolio and taking upfront costs for our investments. This will hamper our short-term financial development.

We are confident that SEB is well positioned for long-term growth and I am proud of our first-rate staff and our strong customer relationships.

Stockholm in February 2010

Annika Falkengren
President and Chief Executive Officer

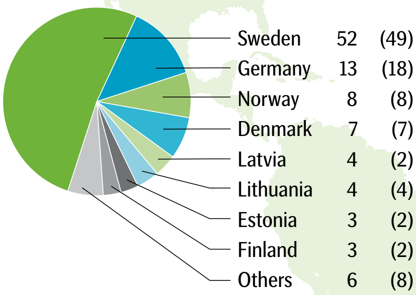
This is SEB

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.

Markets

Operating income

Geographical distribution, per cent



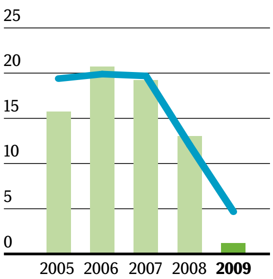
SEB's activities principally embrace customers based in the Nordic and Baltic countries and Germany. Sweden is the single largest market, accounting for 52 per cent of operating income in 2009.

In Sweden, Estonia, Latvia, Lithuania and Germany, SEB is a universal bank. In Norway, Denmark and Finland the Bank pursues a more selective strategy centered on corporate and investment banking, life insurance and wealth management.

Key figures

Return on equity

Per cent

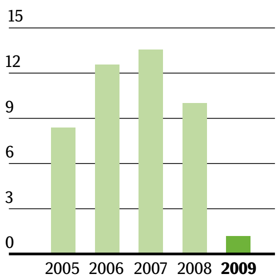


Target: Highest among peers

Peer average (excl. SEB)

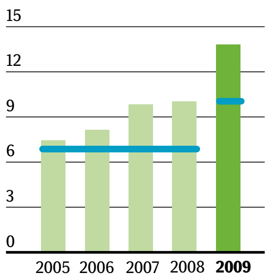
Net profit

SEK bn



Tier I capital ratio 1)

Per cent

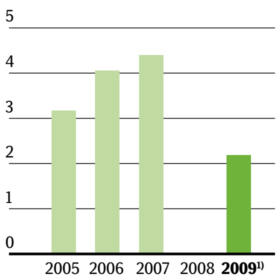


Target: at least 7 per cent up to and including 2008, 10 per cent long-term as from 2009

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

	Operating income	Operating profit
Merchant Banking – Commercial and investment banking services to large corporate and institutional clients, mainly in the Nordic countries and Germany.	SEK 20,052m (16,813)	SEK 11,699m (8,350)
Retail Banking – Banking services to private individuals and small and medium-sized corporate customers in Sweden and Germany. Also SEB's Card business.	SEK 11,680m (12,226)	SEK 1,644m (3,245)
Wealth Management – Asset management, investment management and private banking services to institutional clients and high net worth individuals. Manages SEB's mutual funds.	SEK 3,646m (4,689)	SEK 1,142m (2,011)
Life – Life insurance products for private individuals and corporate customers, mainly in the Nordic and Baltic regions.	SEK 4,425m (3,260)	SEK 2,115m (1,063)
Baltic – Banking and life insurance services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania.	SEK 3,794m (4,783)	SEK –10,363m (1,017)

Strategy

Throughout the financial crisis, SEB has continued to pursue its strategic direction – a Nordic universal bank with a strong focus on wholesale banking and wealth management. To fully capture the potential of SEB's franchise in the future banking landscape, SEB will become fundamentally more customer centric.

Mission, vision and goal

SEB's **mission** is to help people and business thrive by providing quality advice and financial means.

SEB's **vision** is to be the trusted partner for customers with aspirations.

SEB's **goal** is to be the leading Nordic bank with a strong focus on corporate banking and wealth management.

SEB's strategy

In order to reach its long-term targets, SEB has formulated a strategy named "Road to Excellence". Key priorities within this plan include intensified interaction with its attractive customer base, a strong commitment to reach superior productivity and quality, increased integration of SEB's organisation and focused growth within core areas of strength – primarily corporate and investment banking, private banking, wealth management and unit-linked insurance.
SEB will focus on segments, products and markets where it clearly can add value to its customers.

SEB aspires to:

- **Excel** in universal banking in Sweden, Estonia, Latvia and Lithuania by providing a full range of banking, wealth management and life insurance services to corporations, institutions and private individuals.
- **Expand** in core areas of strength, Merchant Banking and Wealth Management, in the Nordic area and in Germany. In addition, selectively expand leading life insurance and card services in the Nordic area.
- **Support** SEB's customers internationally through its network of strategic locations in major global financial centres.

In Sweden, Estonia, Latvia and Lithuania, SEB provides a full range of banking, wealth management and life insurance services. In Denmark, Norway, Finland and Germany, SEB focuses on expanding wholesale and investment banking and wealth management as well as life insurance and card operations.

Furthermore, SEB has established a presence in Ukraine and Russia. SEB entered these markets on a small scale at an early stage in order to enable selective expansion.

Throughout the recent global financial and sharp economic downturn, SEB has remained true to its strategy and stood by its customers. This has enabled SEB to continue to support its customers despite the turmoil, whilst many competitors have been forced to exit customer relationships, geographies and product lines.

SEB is strongly capitalised, has solid liquidity reserves and a stable funding base. In the aftermath of the financial crisis, governments and regulators across the world are aiming to implement stricter capitalisation and liquidity regulations for banks. With its solid balance sheet and conservative risk management approach, SEB deems that it is well positioned to meet these new requirements and remain committed to its customers' financing needs.

SEB sees attractive expansion opportunities within its focus markets and core areas of strength. SEB aims to leverage this position to further expand its customer base and to advance its market positions. However, while there are encouraging signs of an economic recovery, the global economy is expected to remain fragile in the near to medium term. SEB will continue to strive for sustainable, customer-led growth. This means that any expansion will be balanced by continued solid risk management and thorough risk/reward analysis – return on capital remains prioritised over volume growth.

Having built a solid platform on operational excellence prior to the crisis, customer excellence will be the main priority in SEB's business plan going forward. Furthermore, customer offerings and customer acquisition will be strengthened further through joint product development within the divisions and better usage of best practice procedures throughout the Group.

SEB continues to work with the integration of the Group in order to increase cross-selling and extract cost synergies through a more efficient use of common resources. To do this, SEB instituted a Group-wide programme called SEB Way, which streamlines processes so that resources are freed-up and applied more productively to generate further business. The programme is utilised within all parts of the Group, with a proven track-record both for sales and support functions.

Strategic priorities by division

Merchant Banking aims to expand its core franchise by strengthening its service offering and cross-selling to existing customers as well as acquiring new customer relationships. The division will also invest in order to capture the attractive and untapped growth opportunities in Norway, Denmark, Finland and Germany. The goal is to substantially advance SEB's position in these markets by pursuing the division's proven strategy of providing internationally recognised high-quality products and value-added financial solutions. Outside its main markets, Merchant Banking will make selective investments in its international network and strategic locations in order to further improve the service and product offering towards primarily Nordic and German clients with international operations and ambitions.

Retail Banking aims to further enhance its customer offerings with attractive and accessible products, enabling future growth. In Sweden, focus is on improving the overall customer experience and on further strengthening its position within customer segments such as small and medium-sized enterprises. In Germany, focus continues to be on improved profitability. The Card business is pursuing accelerated organic growth and product development, whilst reducing unit cost per transaction.

Wealth Management strives to offer enhanced advisory services as well as a broader range of alternative and absolute return-focused products. The division aims to shorten time-to-market for new, value-added products as well as to improve investment management performance further. In Sweden, SEB has a strong market position and leading customer offerings both within private banking and asset management. Building on this franchise and knowledge, the division will continue to grow outside Sweden, primarily in the Nordic and Baltic countries and Germany.

Life's business concept is focused on unit-linked insurance. In Sweden and Denmark, the main growth opportunities are within the corporate pension and care areas. Maintaining quality leadership in Sweden and continuing the transition towards unit-linked and other non-traditional life insurance solutions in Denmark are top priorities. Furthermore, the division is investing early to establish a leading position in the emerging life insurance markets in the Baltic countries.

In the Baltic countries, the near- to medium-term focus is to ensure asset quality and continued long-term sustainable growth in light of the challenging macroeconomic development. The work to identify potential credit losses at an early stage and, when necessary, engage restructuring and work-out teams, continues. SEB's long-term focus is set on establishing market leadership to capture the structural growth opportunities in the region once the economies turn around.

Financial targets and outcome	2009	2008	2007	2006	2005	Target
Return on equity (per cent)	1.2	13.1	19.3	20.8	15.8	Highest among its peers
Net profit (SEK m)	1,178	10,050	13,642	12,623	8,421	Sustainable profit growth
Tier I capital ratio (per cent) 1)	13.9	10.1	9.9	8.2	7.5	10 per cent over a business cycle
Dividend (per cent of earnings per share)	172	0	33	32	38	40 per cent of net profit per share over a business cycle

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

Markets and competition

The U.S. and European economies returned to positive growth in the second half of 2009 following dramatic market developments in late 2008 and early 2009. Exceptional and co-ordinated global policy responses provided support to economic activity and international credit markets. SEB consolidated its position within most areas.

The global economic downturn had serious implications for most of SEB's core markets in early 2009. However, low interest rates and expansive fiscal policies supported the recovery, which started in the second half of 2009. In spite of the negative macroeconomic development, SEB maintained a high activity level within most areas and the underlying business was strong.

In the large corporations and financial institutions segments, SEB traditionally meets tough competition, not only from the large Nordic banks but also from international financial groups and niche players. However, a number of international banks that had reduced their activities in the Nordic markets as a consequence of the global financial crisis in 2008 were still not fully back in business in 2009. In combination with the Bank's intensified activities this led to an increased share of customers' business for SEB.

In the small and medium-sized companies market, the competitors are mostly domestic or regional banks.

In the private market, local banks account for most of the competition, but various niche players are also competing for investors and depositors.

Sweden

SEB is a universal bank in Sweden, the Group's single largest market with approximately 1.8 million private and 200,000 corporate customers. In 2009, volume development and sales were especially strong within foreign exchange, cash management, mortgage, equity funds and life insurance.

The Swedish economy experienced a substantial drop in economic activity in 2009 primarily due to the global demand collapse. While some sectors and economic players were severely hit by the economic and financial crises, others could benefit from historically low interest rates, income tax cuts and a weak currency. Going forward, limited state indebtedness and a high household savings ratio are buffers in case of new economic downturns.

SEB holds the leading position among large corporations and private banking customers, with a substantial market share of foreign exchange trading, equities trading, cash management, asset management, unit-linked insurance and cards. In 2009, SEB was once again the largest broker, not only on the Stockholm stock exchange but also on the Nordic exchanges. SEB is also the largest foreign exchange bank in Swedish krona trading – and overall No. 12 in corporate foreign exchange – in the world.

In the household market for deposits and lending SEB is No. 4, while it is No. 2 in volume on the corporate market (for market shares, please see table on page 10).

In the total Swedish household savings market (excluding directly owned shares), the Group was the second largest player in 2009, with a share of 12.9 per cent (14.8).

SEB has a strong market position within asset management and is the largest private bank in Sweden.

For the first time since 1997, SEB was the largest player within life insurance overall in Sweden, with a market share of 15.4 per cent in 2009. In terms of new sales of unit-linked insurance SEB was still No. 1, with a market share of 26.6 per cent.

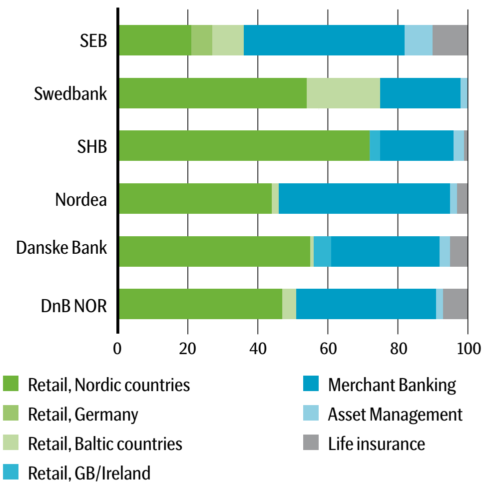
While SEB maintained its top rankings among large corporations and institutions as well as private banking customers, it ranked below the market average in terms of customer satisfaction among retail customers in Sweden.

Other Nordic countries

In Denmark, Norway and Finland, SEB's operations are concentrated to the Group's core areas of strength: wholesale and investment banking as well as wealth management. SEB's position is also strong within unit-linked insurance in Denmark as well as within card operations (Eurocard, Diners Club and MasterCard) in all Nordic countries. In total, SEB has approximately one million customers in Denmark, Norway and Finland.

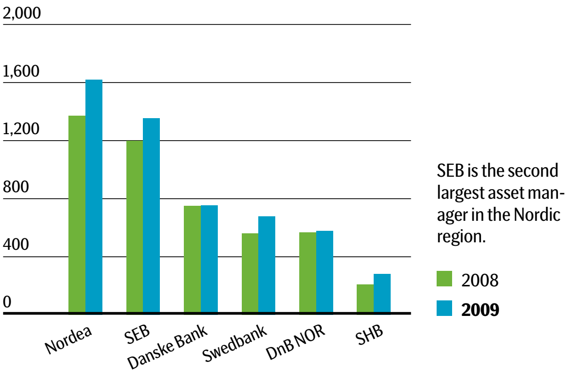
Customer segmentation, Nordic banks

Share of total income, per cent

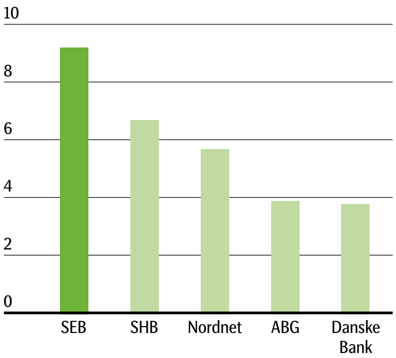


Since the Nordic banks differ in terms of business structure this is an approximate distribution of customer segments.

Assets under management, Nordic region
SEK bn



Leading equity broker
Market shares, Nordic and Baltic stock exchanges, Jan–Dec 2009, per cent



Source: The Nordic Stock exchanges

Denmark
In Denmark, SEB's customer offering comprises wholesale and investment banking, life insurance, wealth management and cards.

The negative effects of previous house price declines on the Danish economy were still felt in 2009. However, early signs of stabilisation of the housing market should help the economy to regain momentum in 2010.

In spite of the continued slowdown of the Danish economy, SEB expanded its business activities during 2009, in particular within Corporate Banking and Trading & Capital Markets.

SEB holds a market leading position within corporate finance in Denmark and ranked among the three top players within all major equity and capital market products. The relationship-driven wholesale business, corporate banking and foreign exchange expanded their market penetration further and improved results accordingly. The fixed income business staged a strong revival, with significantly improved income from both client facilitation and trading.

SEB Pension is Denmark´s fourth-largest private pension company, with assets under management of SEK 95bn. With corporate pension sales as the main growth area, representing 84 per cent of total sales in 2009, SEB Pension continues to gain market share in this customer segment.

SEB's card business kept its leading position in the corporate market.

The high market volatility impacted the wealth management business in SEB negatively. However, strong net new sales and investment performance balanced the negative impact of assets under management.

Norway
SEB in Norway offers wholesale and investment banking services, wealth management and cards.

Norway has fared much better during the economic downturn than the European economies in general. The economy is sensitive to changes of the policy rate and earlier aggressive rate cuts from Norway's central bank had large positive effects on the household and the housing market in 2009. Moreover, a fairly high oil price provided support to the oil sector.

Merchant Banking's business increased significantly compared with 2008, attracting new customers and introducing additional financial solutions in the market. SEB improved its market position to one of the three highest-ranking banks for large and medium-sized corporations and significantly increased its market share in the large corporate sector. In the large corporate sector SEB's lending and market share grew significantly. In addition, SEB improved its position as provider of foreign exchange services to Norwegian clients and was ranked No.1, according to Prospera's annual survey for 2009.

SEB also secured its position as a market leader within investment banking and on the Oslo Stock Exchange. For the fourth consecutive year SEB Enskilda was ranked a clear number one for private and institutional clients on the Norwegian market in Prospera's annual survey for 2009.

SEB's card business kept its leading position in the corporate market.

Private Banking in Norway continued to expand its customer base and was ranked no 2 in Euromoney's survey for 2009.

Facts: meeting places and customer interaction 2009

Branch offices	565
International branches and representative offices	20
Automatic bank service machines [1]	1,900
Card transactions	392 million
Users of SEB's Internet bank services [2]	3.5 million

1) incl. ATM's, machines for cash deposits, transfers, foreign exchange and recharging cards.

2) of which 1.2 million in Sweden and 2.0 million in the Baltic countries and 300,000 in Germany.

SEB's ambition is to offer individual, active and rewarding relations whenever and wherever the customers so desire.

SEB's customers can stay in contact with SEB via branch offices, the Internet and personal telephone service in five countries. In Sweden and Estonia, call centres are able to assist customers around the clock, all year round.

In 2009, SEB's Telephone bank in Sweden answered 2 million telephone calls, an increase of 19 per cent compared with 2008 and close to 300,000 e-mails. The Swedish Telephone bank is able to assist customers in 23 different languages.

In all, SEB's call centres in Sweden, the Baltic countries and Germany answered 5.8 million calls during 2009.

Market shares

Per cent	2009	2008	2007
Deposits from general public			
Sweden	21.2	20.7	20.2
deposits from households	11.6	11.7	12.4
deposits from companies	28.4	27.8	26.1
Estonia [1]	20.7	24.2	25.7
Latvia [1]	18.5	19.9	23.7
Lithuania	26.0	27.0	27.4
Lending to general public			
Sweden	14.3	14.9	15.0
lending to households	12.5	12.2	12.6
lending to companies	15.9	16.9	16.8
Estonia [2]	23.8	24.1	26.3
Latvia [2]	14.8	14.4	15.5
Lithuania [2]	29.3	29.7	31.5
Mutual funds, new business			
Sweden	9.7	n/a [3]	70.3
Finland	n/a	n/a [3]	11.2
Mutual funds, total volumes [4]			
Sweden	17.9	19.5	17.9
Finland	7.5	10.0	5.7
Germany [5]	8.5	8.5	9.1
Unit-linked insurance, new business			
Sweden	26.6	24.4	22.1
Life insurance, premium income			
Sweden	15.4	12.5	12.8
Denmark	n/a	9.2	10.6
Equity trading			
Stockholm	11.1	12.3	9.8
Oslo	8.9	8.1	8.5
Helsinki	7.7	4.4	4.3
Copenhagen	8.1	7.9	8.1

1) In Latvia resident deposit market only, in Estonia excl. financial institutions
2) Total lending excl. leasing; in Estonia also excl. financial institutions
3) In 2008, total new business in mutual fund markets was negative
4) Excluding third-party funds.
5) Real estate funds

Sources: Statistics Sweden, Commercial Bank Associations in Latvia and Lithuania, Bank of Estonia, Swedish Insurance Federation, OMX etc

Finland

SEB in Finland comprises wholesale and investment banking, card operations and wealth management (via SEB Gyllenberg).

The Finnish economy's export dependence and its declining competitiveness versus Sweden due to the Swedish krona's depreciation against the euro was a negative factor for growth in 2009. However, the economy gained support from the rate cuts of the European Central Bank.

Merchant Banking reported a strong year, with growing business volume. Growth areas include Trading and Capital Markets, structured leasing business, Commercial Real Estate, cash management, custody services and investment banking. For the first time, SEB was No.1 on the Helsinki stock exchange.

SEB Gyllenberg has a top position in the institutional asset management market and is one of the leading providers of private banking services in Finland. SEB's market share of the Finnish mutual fund market was 7.5 per cent in 2009.

For SEB's card business, 2009 was a challenging year, mainly due to the drop in corporate travel and the credit crisis.

The Baltic countries

SEB's universal banking operations in the Baltic countries include a network of some 170 branch offices, serving 2.2 million private individuals and 156,000 corporate customers.

The Baltic economic crisis deepened in 2009 with the deepest GDP drops in Europe. Domestic demand was depressed by global recession and fiscal tightening. In the second half of 2009, the economies bottomed out when exports and industrial production started slowly to recover. However, SEB does not expect to see a more broadly based economic recovery until the second half of 2010.

After three years of controlled slowdown of credit growth, resulting in yearly decreased market shares, SEB's market share of lending stabilised in all three countries during 2009. Meanwhile, SEB has increasingly paid more attention to higher value added services, not least in the savings and investment areas, where the Bank's market shares are generally high.

Despite the economic downturn, SEB maintains its long-term commitment to the Baltic region. In 2009, the Bank extended its work-out activities in close dialogue with customers in order to find common ground for coping with the difficult situation (see more on page 36).

Estonia

The Estonian GDP fell by 14 per cent in 2009. At the end of the year there were signs of a stabilisation, also in the real estate market, which has shown an important adjustment since the peak in 2007. The upturn in sentiment indicators has been stronger in Estonia than in the other Baltic countries. Estonia's more export-oriented economy is also better positioned to benefit from a global upturn.

SEB is the second largest bank in Estonia, with a market share of 24 per cent of lending and a strong position within asset management and life insurance.

In terms of customer satisfaction, SEB ranked No. 1 in the private market both in 2008 and 2009, according to EPSI.

Latvia

Latvia was hit by the worst recession within the EU: GDP dropped by 18.4 per cent in 2009. During the course of the year, the imbalances in terms of very large current account deficits and high wage-driven inflation disappeared in the wake of a fiscal tightening and recession. New austerity measures have calmed devaluation worries in the market. Budgetary tightening has been necessary for Latvia to receive loans, e.g. from the EU and IMF. This support, launched in late 2008, has continued according to plan.

SEB is the second largest bank in Latvia with a market share of 15 per cent of lending, 49 per cent of asset management and 41 per cent of life insurance.

In terms of customer satisfaction, SEB ranked No. 1 in the private market both in 2008 and 2009, according to EPSI.

Lithuania

Lithuania – which at the beginning showed somewhat smaller signs of overheating compared to Estonia and Latvia – was the last of the Baltic countries to enter an economic slowdown, in late 2008. The extent of the decline has been surprisingly strong. Sharply weakened demand and significant exchange rate depreciations in the neighbouring countries contributed to Lithuania's GDP falling by 15 per cent in 2009.

SEB's rankings, a selection

SEB's performance within different business areas is evaluated and ranked by a lot of companies and magazines every year. The most important surveys are done by the market research institutes Greenwich Consulting, with strict contracted limitations on reporting externally, and TNS Prospera.

Categories and methods for ranking lists in Euromoney and other magazines on the list often change between the years.

Area	Rank 2009	Rank 2008	Organisation / publication etc
Best Bank in Sweden	1	1	Euromoney
Best Equity House in the Nordic region	1	1	Prospera
Leading Brokerage Firm, Nordic equities	1	1	Extel Survey, Thomson Reuters
Best Investment Bank in Sweden	1		Euromoney
No. 1 Corporate Finance House in the Nordic region	1	biannual	Prospera
Best M&A house in the Nordic and Baltic regions	1	1	Euromoney
Best Research House in Sweden	1	biannual	Prospera
Best at Cash Management in the Nordic and Baltic regions	1	1	Euromoney
Best Bank for Cash Management in the Nordic region	1	1	Treasury Manager International, Global Finance
Domestic equity, overall performance, the Nordic region	1	biannual	Prospera
Best Real Estate Bank in the Nordic and Baltic regions	1	1	Euromoney
Best Real Estate Bank globally	3	3	Euromoney
Best Bank for Risk and Liquidity Management the Nordic region	1	1	Treasury Manager International, Global Finance
No. 1 Foreign Exchange Bank in the Nordic region	1	n/a	Prospera
Best Trade Finance Provider in the Nordic region	1	1	Global Finance
Best Supply Chain Finance Provider in the Nordic region	1	1	Treasury Management International, Global Finance
Sub-custodian of the year in the Nordic egion	1	1	International Custody and Fund Administration
No. 1 for sub-custody in all Nordic and Baltic markets	1		Global Investor Magazine
Best Private Bank in Sweden	1	1	Euromoney
SME Bank of the the year in Sweden	1	1	Privata Affärer (Swedish magazine)

SEB is the largest bank in Lithuania and has a leading position among large corporations. SEB's market share for total lending in Lithuania was 29 per cent in 2009.

In terms of customer satisfaction, SEB ranked No. 2 in the private market both in 2008 and 2009, according to EPSI.

Germany

Germany's dependence on exports became uncomfortably evident in 2009. However, an expansive fiscal policy and the new government's tax reliefs, together with limited indebtedness among households, supported the economic recovery which gained momentum in the second half of 2009.

In Germany, SEB is focused on wholesale banking , commercial real estate financing, asset management and retail banking through a nation-wide network of branch offices. SEB has roughly one million customers in Germany.

In 2009, the retail business operations were affected by lower market interest rates and customer activities as a result of the economic crisis. However, SEB's customer satisfaction remained one of the highest in Germany, according to KNIX.

Merchant Banking in Germany continued to expand its business. Trading and Capital Markets reported a significant increase. SEB's wholesale banking services in Germany were once again top-ranked. Despite the difficult market environment, SEB managed to assert its strong position in the German commercial real estate market. Asset Management has emerged stronger from the financial crisis and its three mutual real estate funds in SEB Investment GmbH had a market share of 8.5 per cent, No. 4 in Germany.

Ukraine and Russia

Ukraine was one of the countries that were hardest hit by the global credit crisis and recession in 2009. In the first half of the year, the economy was more or less in free fall, followed by a slight recovery at the end of the year. The prospects for 2010 remain bleak.

As a consequence, SEB will not expand its business in Ukraine and the Bank closed a number of branches during 2009. At year-end 2009, SEB had 60 branch offices in Ukraine.

Russia has also been hard hit by the global recession. The development in the first half of 2009 was a record low and GDP fell by more than 10 per cent year-on-year. However, since summer the economy has stabilised and slowly turned upwards.

SEB Bank in Russia has two branch offices in St Petersburg. The Group's other operations in Russia include a representative office in Moscow and a leasing company in St Petersburg. SEB's operations in Russia primarily support Nordic corporate customers.

Other international locations

SEB has operations at strategically important locations in such financial centres as London, New York, Singapore and Shanghai to serve corporate customers with international operations.

Nordic private banking customers living outside their home countries make use of these offices too and are also served via private banking units in Luxembourg, Geneva, London and Singapore.

Employees and culture

To be perceived as a strong and attractive employer, where people take pride in working, is a success factor for SEB. The Bank's corporate culture is characterized by accountability and professionalism, setting the customer's interests first. SEB's remuneration strategy is designed to reward performance that enhances the long-term success of customers and shareholders as well as encourages sound risk management.

SEB has a long tradition as a leading corporate bank and 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.

SEB's people strategy ensures that SEB has access to the best competencies long term and that the Bank is organized the best way to create value for the customer. The strategy underlines both the individual's and the organization's contribution to the Bank's overall development and result.

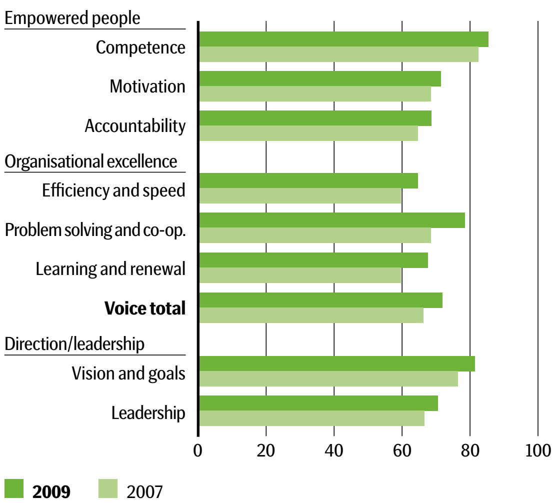
The employee survey Voice is used to provide a comprehensive assessment of how employees view the Bank. As a result, SEB can identify and prioritise actions that will help improve the Bank further. The 2009 Voice survey showed clear improvement within all major areas: more motivated employees, a stronger sense of an efficient and learning organization, improved leadership and better knowledge about the Bank's vision and goals.

Emphasis on core values

SEB's core values – Commitment, Continuity, Mutual respect and Professionalism – guide the actions of the Group and its employees. Emphasising core values, maintaining the highest ethical standards and acting with a long-term perspective are key to be a trustworthy partner to the Bank's customers and a respected member of society.

SEB Voice 2009

Group results, percentage positive answers



Structured employee development

SEB offers development opportunities for specialists, generalists and managers. Every employee is expected to take considerable responsibility for his/her own work, individual development and career. He/she is also expected to act in accordance with the Bank's values and Code of Business Conduct.

Setting and following up on individual targets are fundamental in SEB's culture. The process is based on transparency in target setting, evaluation and rewards. Performance is continuously followed up through 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. They furthermore serve as a platform for competence development and short- and long-term career planning within the Bank.

Performance-based remuneration structure

SEB believes in a sound and dynamic performance culture that spurs achievements, a desired behaviour and balanced risk-taking, in line with customers' and shareholders' expectations.

SEB's remuneration structure is designed to encourage both short-term results and long-term strategic decisions in order to support good business results over time. It is also designed to support sound risk management by taking the cost of the capital and liquidity into account. The composition and size of the remuneration is based on business logic, market practice, competitive situation and the employees' competence.

Properly designed remuneration systems help SEB to attract, retain and motivate employees with the right competence, who will contribute to the long-term success of the Bank. SEB actively promotes equal pay for men and women and continuously evaluates the effects of the remuneration structure and its competitiveness.

More information on SEB's remuneration is found on p. 25.

Focus on leadership

The foremost task of each manager is to enable his/her staff to realize their potential, thereby reaching their goals and ability to grow professionally. The manager is expected to assume long-term business responsibility in line with SEB's business plan and strategy.

SEB invests significant resources in developing and supporting its managers. Leadership Expansion and Development

Awards for SEB as an employer

Award	Rank	Awarded by
Best employer for equality, Sweden	1	Veckans Affärer
Best employer among banks, young professional survey, Sweden	1	Universum
Best employer overall, student survey, Sweden	9	Universum
Most attractive employer in Lithuania	1	Verslo Žinios

(LEAD) and International Business Seminar (IBS) are examples of internal programmes designed to promote leadership within SEB and to enhance collaboration across divisional and country borders. Communicative leadership and leadership in teams are recurrent themes in SEB development programmes, adapted over time to reflect the demands put on the Bank's managers.

Programmes for more female managers

SEB works actively to identify, develop and encourage women to take senior positions. As a routine, there must always be at least one female candidate for senior positions. The Bank has several female managerial programmes, such as TCM LEAD, a mentor programme within Trading and Capital Markets for about 50 female employees.

Competence development 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, which is an important instrument for the Bank's succession planning and talent pipeline.

Employee statistics

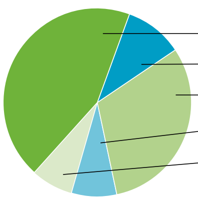
	2009	2008	2007
Number of employees, average	21,640	22,311	21,523
Sweden	8,700	8,884	8,949
Germany	3,582	3,623	3,683
Baltic	5,572	5,764	5,441
Employee turnover, %	11.0	13.8	12.1
Sick leave, % (in Sweden)	3.0	3.5	3.9

Employees by age and gender

	–29	30–39	40–49	50–	Total
Female	3,111	3,751	3,409	2,318	**12,589**
Male	1,429	2,868	2,692	2,062	**9,051**

Educational level

Per cent



University > 3 years	44	(43)
University < 3 years	10	(11)
Upper secondary school	31	(31)
Compulsory school	8	(8)
Other/unspecified	7	(7)

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. The latter aims to attract people with a special interest in, and talent for, advisory work and sales. During 2009, 20 per cent of the participants were of non-Swedish origin.

In addition to on-going development based on performance and development discussions, all managers and employees have been trained in SEB's Code of Business Conduct during 2009. "The Customer Meeting" is another prioritized area, where many employees have participated in development programmes. Besides e-learning activities, 950 managers and 13,000 employees participated in specific professional training during 2009.

Responsible change management

The rate of change within SEB has been very high in recent years, driven both by a number of internal programmes to enhance the Bank's efficiency and competitiveness and by changes in the surrounding world. This has led both to redundancies and to a need for redeployment of employees. SEB aims to carry out such changes in the most responsible way possible. Job coaching, out-placement programmes and financial terms that facilitate transfers to new, long-term employments, are deployed among other things. During 2009, the average number of full-time equivalents decreased by 1,058.

Equality and diversity

Targeted work is performed to further 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. Among other things, diversity is encouraged through SEB's internal job market, where all vacant positions are advertised. Diversity is also taken into account when nominating people for management and leadership training courses.

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) and 27 per cent (26) in senior managerial positions.

Through the Bank's long-term work on diversity, the staff composition has increasingly come to reflect the societies and customer structures in those countries where SEB operates, which has also led to new business opportunities.

SEB wants to offer employees a good balance between work and private life by providing a number of different solutions, adapted to local conditions, rules and laws. Examples include home and family services for employees with children, parents' insurance, preventive health care benefits and occupational health care.

SEB is convinced that a sound and business-oriented working environment, where employees express well being, creates good results. The purpose of working environment and health care work is to identify and to strengthen those factors which lead to an improved working environment and sustainable health among all employees.

Corporate sustainability

Banks play important roles for the development of enterprises, the fostering of trade and the functioning of financial systems. Building on the decision in 2008 to adopt a sustainability plan, during 2009 SEB launched a wide range of activities to further improve its performance. The higher ambitions rest on a new strategic framework, significant emissions reductions and work to integrate sustainability efforts into all business activities.

The purpose of SEB's engagement in corporate sustainability is to continue to be a successful company, to assist and enable SEB stakeholders to become more sustainable, and to contribute to the communities in which the Bank is present. Five decisions taken in 2009 provided the platform for the Group's 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 (E/S/G)

SEB has implemented internationally agreed principles for corporate responsibility accounting and measurement since 2007 and reports its results in accordance with the GRI G3 Guidelines. SEB currently reports according to level C in the GRI application level system.

Sustainability strategy and roadmap 2010–2012

SEB's sustainability strategy is focused on eight key priorities, supported by the Bank's Code of Business Conduct and by adhering to numerous international commitments including the United Nations Global Compact and Principles for Responsible Investment (PRI). SEB's Code of Businees Conduct aims to ensure that high ethical standards are an integral part of the way the Bank conducts its business.

By 2012, SEB aims to have made sustainability a core capability integrated into all business activities. The strategy calls for step-by-step improvements to gradually reaching higher levels of sustainability. Among the key focal points are:

- Competence build-up, including Group-wide management training and education
- Reduction of SEB's direct impact
- Stakeholder engagement
- Internal and external communication
- Generating revenues from sustainable products and services
- Implementing environmental, social and economic policies within divisions and in major markets.

Five of the Group's eight key priorities to build a sustainable business over the long-term are described below.

Reducing SEB's footprint

The focus of SEB's environmental strategy is to measure the Group's carbon footprint in order to reduce the direct and indirect footprint over time, compensate for those emissions that SEB cannot reduce and accurately report on the information requested by investors, customers and employees. SEB also wants to engage its stakeholders. The objective is to minimize the direct and indirect effects of our operations.

The work to reduce the Group's environmental impact is based on a five-step approach:

1. Measure and report carbon footprint
2. Avoid carbon intensive activities when possible
3. Reduce energy consumption and business travel
4. Replace fossil energy with renewable energy
5. Offset the remaining CO_2 emissions through purchasing verified emissions reductions from high quality projects.

In order to reach SEB's target of reducing CO_2 emissions by 45 per cent by 2015, the Bank started a specific CO_2 emissions reductions project during 2009. Replacing fossil energy sources with renewable ones is a key concern and will be implemented as soon as this is possible in all main markets. The Bank has also started numerous projects to reduce carbon footprint from office space, data centers, printed matters and business travel.

Currently, SEB accounts for the CO_2 emissions from operations over which it has control, such as energy and electricity use in own buildings, paper consumption and business travel. Emissions from eleven countries, accounting for more than 90 per cent of SEB's operating income and 98 per cent of employees, are included.

Sustainable finance and investments

SEB aims to support the transition to a low-carbon economy. This means addressing both sustainable business opportunities and sustainability risk factors in the Bank's financing and investment activities.

SEB supports clients through the provision of a wide range of financial services, including lending, global payment solutions and corporate finance. The Group believes one of its main responsibilities is to support and work together with clients on sustainability issues.

Assessing the environmental and social impact of providing finance to SEB customers is embedded into the Group's overall risk management processes. Environmental criteria were included in the credit policy in 1997 and in 2004 the perspective was

Achievements

Priorities for 2009

- Establish a platform to become CO_2-neutral based on both emission reductions and offsetting
- Continue efforts to improve SEB's indirect impact and secure business integration
- Evaluate SEB's current performance and renewal efforts amongst stakeholders
- Develop a Group Corporate Sustainability strategy and governance model

Accomplished in 2009

- Decision to reduce CO_2-emissions by 45 per cent until 2015
- Launched CO_2-emissions reductions project; "Carbon Chasing at SEB"
- Decision to offset the carbon emissions through a UN Gold standard project in China
- Arranged a three-day seminar with 100 employees; "A Business Case for Sustainability"
- Performed a stakeholder survey on SEB's sustainability performance
- Developed a Corporate Sustainability Strategy
- Appointed Global Head of Corporate Sustainability
- Recruited an Environmental Officer
- Created a Corporate Sustainability Ambassador group among employees

Priorities for 2010

- Deliver on CO_2 emissions reductions project
- Targets for CO_2 emissions to be broken down on units
- Evolve the scope to include scope 3 emissions, i.e. security transports
- Automate reporting and follow-up
- Begin integration of sustainability into daily business activities
- Develop and implement sector policies
- Develop an ownership and engagement policy
- Develop a Corporate Sustainability Communication Strategy
- Further improve stakeholder dialogue and engagement
- Develop a Social Strategy
- Increase the Corporate Sustainability Ambassador Group
- Implement the governance model for Corporate Sustainability

Corporate sustainability strategy

SEB's sustainability strategy is focused on eight key areas.

Reducing SEB's footprint
Managing SEB's direct environmental impact.

Sustainable finance and investments
Together with customers, reduce the negative social and environmental impact related to SEB's finance and investment activities. Work to increase SEB's and its customers' positive contribution through offering sustainable products and services.

Responsible selling and marketing
Assist SEB customers in reaching their financial objectives. Ensure that customers understand the consequences of the Bank's advice and their overall dealings with SEB.

Tackling financial crime
Actions to prevent money laundering, fraud and financing of criminal activity.

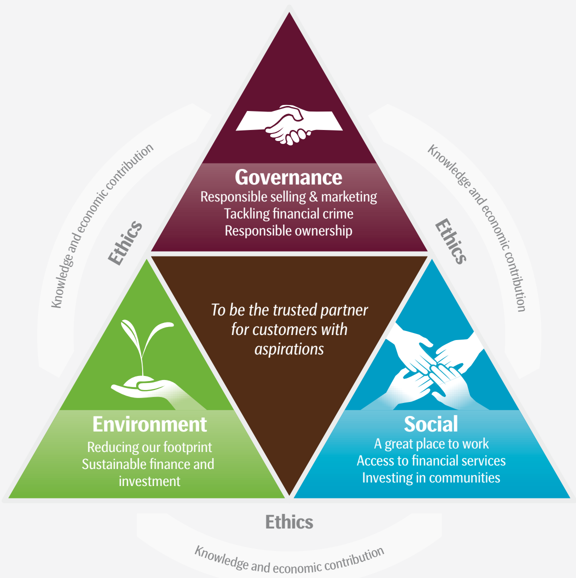
Responsible ownership
Ensure that SEB performs its ownership role responsibly, promoting good business ethics and governance, and displaying good corporate citizenship.

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.

Inspired by Standard Chartered Bank's Sustainable Business Model.



broadened to include other sustainability aspects such as human rights, international labour standards and reputational risk.

During 2009, SEB began to work on its first sector policy statements, highlighting the social and environmental standards the Group expects in order to provide services or make investments. The introduction of sector policies means that the sustainability risk aspects of the Group's financing and investment activities are taken to a higher level. 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 selling and marketing

One of SEB's foremost responsibilities is to the Bank's customers, many of whom have entrusted the Bank with their business for decades. These dealings are guided by SEB's Code of Business Conduct, which describes the responsibilities that come with employment at SEB and the standards of business conduct. The Code is based on SEB's four core values: commitment, continuity, mutual respect and professionalism. It is available in eleven different languages and has also been developed into a customised e-learning tool. All SEB employees are expected to abide by the Code in their daily work.

The Group places strong emphasis on adherence to Know Your Customer (KYC) and Treating Customers Fairly (TCF) regulations, which are important aspects of responsible selling and marketing.

Tackling financial crime

SEB devotes considerable resources to prevent the damaging effects of financial crime activity on the Group's business, its customers and society. Three key areas are in focus: actions to prevent money laundering and financing of terrorism; compliance with government sanctions against criminal suspects; and fraud prevention.

During 2009, SEB introduced global mandatory minimum standards throughout the Group to combat money laundering and financing of terrorism. There is now a uniform approach in all markets and business divisions, comprising detailed instructions for risk assessment, risk management, risk mitigation and reporting. In addition, SEB concluded a two-year project to develop and implement a new Group-wide Fraud Prevention Strategy. This comprised updated fraud prevention instructions, training and awareness programmes, several internal anti-fraud measures and improved Internet banking security. SEB also joined the recently formed Swedish Financial Coalition against Child Pornography.

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.

Engaging SEB's stakeholders

SEB believes it is imperative to involve the Bank's stakeholders in its sustainability efforts. As an integral part of the development of SEB's corporate sustainability strategy, a survey on sustainability was carried out in 2009 among the Bank's stakeholders. The survey was designed to measure perceptions about SEB's sustainability performance and to understand stakeholder expectations. Concrete recommendations and a baseline Stakeholder Corporate Sustainability Satisfaction Index was gathered.

Employee engagement activities during 2009 included the launch of a sustainability portal on the Intranet and the establishment of a group of internal Corporate Sustainability Ambassadors. An important event was the Business Case for Sustainability Seminar, a three-day seminar held with 100 staff from across SEB's business divisions to explore what SEB can do to support its customers' own contribution to sustainable development.

For further information, please consult the Corporate Sustainability Report at www.sebgroup.com/sustainability

Carbon chasing at SEB: Significantly reducing the Bank's direct impact

By expanding the use of renewable energy sources, changing travelling patterns and improving energy and resource efficiency throughout SEB, the Group aims to reduce CO_2-emissions by 45 per cent until 2015, and by 25 per cent until 2011.

SEB's performance is monitored against key indicators on a quarterly basis. The offsets are calculated for the current year based on the emissions from the previous year. The focus is on CO_2 as this is the most significant greenhouse gas.

Key contributors

The following items are expected to be among key contributors to achieving SEB's targeted emissions reductions:

Items	Status
Switching to green electricity in Germany, Estonia and the UK	Germany implemented from January 1, 2010
Introducing energy efficiency programs in main buildings	Ongoing
More carbon-friendly business travel	Ongoing, new business travel policy developed in 2009
Reductions in resource consumption	Ongoing
Green company car policy	Decided 2009

Selected key performance indicators

All key performance indicators are listed in the Corporate Sustainability Report.

	Unit	2009	2008	2007	Note
Direct economic value generated and distributed					
Total operating income	SEK m	44,213	41,140	40,440	
Total operating expenses	SEK m	28,397	25,407	23,194	
Reinvested in the company	SEK m	15,940	7,010	9,452	1
Dividends	SEK m	2,193	0	4,442	
Employee compensation	SEK m	15,574	16,241	14,921	
Taxes to government	SEK m	2,200	2,421	3,376	
Supplier payments	SEK bn	9.2	9.5	9.3	
Financial assistance received from government	SEK m	0	0	0	
General environmental indicators					
Number of offices reporting (whereof branch offices)	Number	625 (559)	625 (559)	37 (0)	
Net internal area of reporting offices covered	m^2	707,537	707,537	324,726	2
Full-time employees (FTE) covered	Number	20,235	21,291	19,506	
Carbon dioxide (CO_2) emissions					
Total CO_2 emissions	Tonnes	47,320	50,404	n/a	2.3
CO_2 emissions from energy consumption	Tonnes	28,979	29,401	n/a	
CO_2 emissions from business travel	Tonnes	11,280	13,547	8,021	
CO_2 emissions from paper consumption	Tonnes	3,121	3,369	n/a	
CO_2 emissions from company cars	Tonnes	3,940	4,087	n/a	
Total CO_2 emissions / employee	Tonnes	2.3	2.4	n/a	
Energy consumption					
Total energy consumption (in buildings)	MWh	150,889	153,944	114,569	
Electricity	MWh	126,262	123,737	85,836	
Other energy sources	MWh	24,627	30,207	28,734	
Total energy consumption / m^2	MWh/m^2	0.21	0.22	0.35	
Total energy consumption / employee	MWh	7.5	7.2	5.9	
Resource efficiency					
Total paper consumption	Tonnes	2,327	2,483	2,744	
Graphic paper consumption	Tonnes	1,007	1,407	1,757	
Supplies paper consumption	Tonnes	1,320	1,076	987	
Environmentally labelled paper consumption	Tonnes	1,334	1,129	589	
Environmental paper use, share of total	%	57%	45%	21%	
Total paper consumption / employee (FTE)	Tonnes	0.11	0.12	0.14	
Business travel & company car fleet					
Total business travel	Million km	47.4	55.9	57.6	4
Total business travel / employee	km	2,344	2,624	2,952	
Air travel	Million km	43.8	51.5	54.5	
Domestic air travel	Million km	12.7	n/a	n/a	
Nordic air travel	Million km	3.3	n/a	n/a	
International air travel	Million km	27.8	n/a	n/a	
Train travel	Million km	3.6	4.3	3.1	
Air travel, day trips vs total number of air trips	%	78	76	49	
Environmentally certified company cars, share of company car fleet	%	29	22	13	

1) Reinvested in the company is calculated as the difference in total equity during the year.

2) 2008 figures have been restated following an extension of the emissions scope. These included the addition of more than 550 branch offices in eleven countries (Sweden, Norway, Denmark, Finland, Estonia, Lithuania, Latvia, Germany, UK, Ukraine, Luxembourg).

3) Courier, taxi and security transportation is not included in emissions scope.

4) Excluding leasing car mileage.

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.

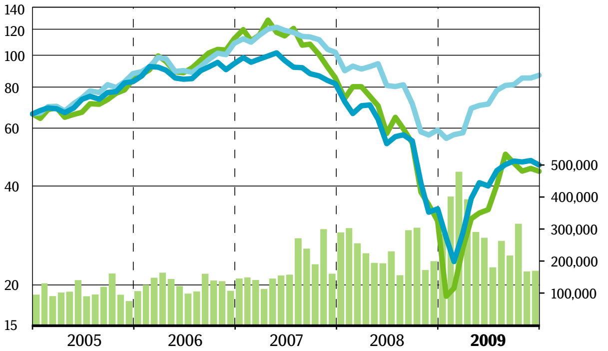
SEB's Class C shares

To facilitate foreign ownership the Class C share was introduced at the end of the 1980s. The trading volumes of the Class C share are very limited and the number of Class C shares only constitutes 1.1 per cent of the share capital of the Bank. Due to this, the prerequisites for creating only one class of shares, thus giving the Class C shares the same rights as the Class A shares, have been examined. The examination has shown that there are significant practical difficulties to implement such a structure.

According to the Swedish Companies Act, a proposal that the Class C shares should carry the same rights as the Class A shares requires that the proposal is supported by shareholders representing at least 2/3 of the votes cast and shares represented at a General Meeting of Shareholders as well as by 9/10 of the Class A shares represented at the General Meeting. Furthermore, approval from owners of a majority of all Class A-shares is required. The reason for this is that a resolution to this effect would lead to a certain dilution for the Class A shareholders. Since the number of shareholders in SEB is large, obtaining such approval would be a drawn-out and complicated procedure.

SEB Share Class A

SEK



SEB A share, logarithmic scale. Price equals last closing price paid on last day of each month.

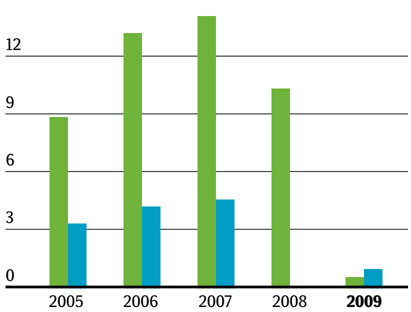
OMX Stockholm.

European Bank Index (FTSE).

Number of shares traded, in thousands, linear scale.

Earnings and dividend per share[1)]

SEK



Net profit Dividend

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.

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 (see further Note 16)

Change in share capital

Skandinaviska Enskilda Banken's share capital has changed as follows since the Bank was started in 1972:

Year	Transaction	SEK	Change in no. of shares	Accumulated no. of issued shares	Share capital SEK m
1972				5,430,900	543
1975	Rights issue 1:5	125	1,086,180	6,517,080	652
1976	Rights issue 1:6	140	1,086,180	7,603,260	760
1977	Split 2:1		7,603,260	15,206,520	760
1981	Rights issue 1B:10	110	1,520,652	16,727,172	837
1982	Bonus issue 1A:5		3,345,434	20,072,606	1,004
1983	Rights issue 1A:5	160	4,014,521	24,087,127	1,204
1984	Split 5:1		96,348,508	120,435,635	1,204
1986	Rights issue 1A:15	90	8,029,042	128,464,677	1,284 [1]
1989	Bonus issue 9A+1C:10		128,464,677	256,929,354	2,569
1990	Directed issue[2]	88.42	6,530,310	263,459,664	2,635
1993	Rights issue 1:1	20	263,459,664	526,919,328	5,269
1994	Conversion		59,001	526,978,329	5,270
1997	Non-cash issue	91.30	61,267,733	588,246,062	5,882
1999	Rights Issue	35	116,311,618	704,557,680	7,046
2005	Reduction of the share capital		–17,401,049	687,156,631	6,872
2009	Rights issue	10	1,507,015,171	2,194,171,802	21,942

1) The recorded share capital as at 31 December, 1986 was still SEK 1,204m, since the proceeds from the rights issue were not paid in full until early 1987.

2) The issue was directed at the member-banks of Scandinavian Banking Partners. Through splits in 1977 (2:1) and 1984 (5:1), the nominal value of the shares was changed from SEK 100 to SEK 10.

Distribution of shares by size of holding

Size of holding	No. of shares	Per cent	No. of shareholders
1–500	36,833,777	1.6	184,483
501–1,000	38,087,124	1.7	50,348
1 001–2,000	47,787,379	2.2	31,769
2,001–5,000	73,980,158	3.4	23,017
5,001–10,000	53,617,394	2.4	7,409
10 001–20 000	41,614,574	1.9	2,907
20,001–50,000	42,953,489	2.0	1,358
50,001–100,000	27,895,357	1.3	386
100,001–	1,831,402,550	83.5	635
	2,194,171,802	**100.0**	**302,312**

Number of outstanding shares, 31 Dec., 2009

	Share series A	Share series C	Total No. of shares
Total before rights issue	663,004,123	24,152,508	**687,156,631**
Rights issue	1,507,015,171		**1,507,015,171**
Total number of issued shares	**2,170,019,294**	**24,152,508**	**2,194,171,802**
Hedge for long-term incentive programmes [1]	–810,155	0	**–810,155**
Repurchased own shares [2]	0	0	**0**
Total number of outstanding shares	**2,169,209,139**	**24,152,508**	**2,193,361,647**

1) Utilisation of long-term incentive programmes 2003 – 2009 ongoing
2) 2009 AGM decision, no repurchases made

The SEB share on the Nasdaq OMX Stockholm Stock Exchange

SEK m	2009	2008	2007	2006	2005
Year-end market capitalisation	**97,330**	41,606	113,447	149,251	115,026
Volume of shares traded	**126,462**	190,011	252,303	162,707	104,372

The largest shareholders [1) 2)]

December 2009	Share of capital, per cent
Investor AB	20.8
Trygg Foundation	9.2
Alecta	6.0
Swedbank/ Robur Funds	4.3
AMF Insurance & funds	2.7
AFA Insurance	2.1
SEB Funds	1.7
SHB Funds	1.5
Wallenberg-foundations	1.5
Nordea Funds	1.4
Foreign owners	16.4

1) Excluding SEB as shareholder.
2) For more detailed information please see page 58
Source: Euroclear Sweden/SIS Ägarservice

Report of the directors

The main priorities for SEB during 2009 were to safeguard SEB's stability and business franchise during an exceptional year. The measures included further strengthening of the core capital ratio in order to demonstrate a resilience to almost any stress scenario and the extraordinary extension of funding maturities at the expense of net interest income. Profit before credit losses increased due to a strong customer focus.

Financial review of the Group

In spite of the negative macroeconomic situation, SEB's underlying performance remained strong throughout 2009. Customer activities were intense and business volumes were high in most areas. Operating income improved by 8 per cent and operating profit before credit losses rose by 1 per cent. The result was however to a high degree undermined by provisions for credit losses in the Baltic region and goodwill write-downs in Eastern Europe.

The year was also characterized by the undertaking of a string of capital measures in order to strengthen the Group's balance sheet and funding situation (see pp 53–56).

Structural change

As of 1 July 2009, SEB consolidated its retail operations and all loan activities in Estonia, Latvia and Lithuania within a separate Baltic division. All figures for the divisions concerned – Retail Banking, Wealth Management and the new Baltic division – have been restated. After this change the Group's activities are organised in five divisions: Merchant Banking, Retail Banking, Wealth Management, Life and Baltic.

Investments and divestments

In 2009, SEB acquired 100 per cent of the shares in the Norwegian corporate finance boutique Astrup & Partners AS. During the year SEB divested the business of its Polish mutual funds company SEB TFI, the operations of its 51 per cent share in the Norwegian car financing company Møller BilFinans and its 24 per cent share of Privatgirot. In November, SEB agreed with NASDAQ OMX Nordic to sell all of its minority shareholdings in the Tallinn and Vilnius respective exchanges. The transactions had a limited impact on the Group's financials.

Result and profitability

SEB's *profit before credit losses* for 2009 amounted to SEK 15,816m (15,697), an increase of 1 per cent compared with 2008. Excluding goodwill impairment charges, capital gains and restructuring costs, profit before credit losses rose by 11 per cent, to SEK 17,215m.

Operating profit decreased to SEK 3,372m (12,471), materially impacted by credit provisioning. The foreign exchange rate translation effect was SEK –256m.

Net profit after tax dropped, to SEK 1,178m (10,050).

Income

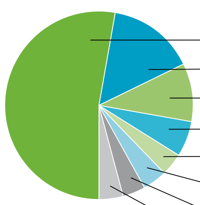
Total operating income increased by 8 per cent to SEK 44,213m (41,104), including a positive foreign exchange translation effect of SEK 1.6bn. Excluding the translation effect and adjusting also for capital gains, operating income rose by 2 per cent.

Operating income includes negative income effects of SEK 1.5bn, which are related to decisions to strengthen the balance sheet, primarily related to extended funding duration and reduced holdings of bond portfolios.

Net interest income rose by SEK 780m, or 4 per cent, to SEK 19,490m (18,710). Customer-driven net interest income rose by SEK 315m. The net margin contribution was negative at SEK 612m due to the sharply lower short-term rates which impacted

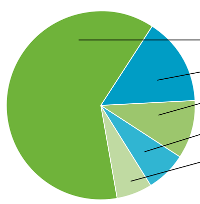
Profit before credit losses [1)]

Geographical distribution, 2009



	Per cent	SEK m
Sweden	53	8,341
Norway	15	2,347
Denmark	10	1,596
Latvia	6	904
Lithuania	4	660
Estonia	4	645
Germany	4	629
Finland	4	622

Divisional distribution, 2009



	Per cent	SEK m
Merchant Banking	62	12,505
Retail Banking	15	3,015
Life	10	2,115
Baltic	7	1,515
Wealth Management	6	1,140

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

Income statement on quarterly basis – SEB Group

SEK m	2009:4	2009:3	2009:2	2009:1	2008:4
Net interest income	3,697	4,519	5,370	5,904	5,513
Net fee and commission income	3,877	3,566	3,802	3,215	3,790
Net financial income	935	946	1,471	1,133	1,723
Net life insurance income	932	857	946	862	516
Net other income	433	–153	1,585	316	1,153
Total operating income	**9,874**	**9,735**	**13,174**	**11,430**	**12,695**
Staff costs	–3,186	–3,735	–4,262	–4,391	–4,597
Other expenses	–2,473	–1,899	–1,918	–1,838	–1,968
Depreciation of tangible and intangible assets	–467	–381	–2,832	–1,015	–400
Total operating expenses	**–6,126**	**–6,015**	**–9,012**	**–7,244**	**–6,965**
Profit before credit losses	**3,748**	**3,720**	**4,162**	**4,186**	**5,730**
Gains less losses from tangible and intangible assets	–24	3	23	2	1
Net credit losses	–3,160	–3,335	–3,567	–2,386	–1,703
Operating profit	**564**	**388**	**618**	**1,802**	**4,028**
Income tax expense	–277	–350	–792	–781	–519
Net profit from continuing operations	**287**	**38**	**–174**	**1,021**	**3,509**
Gains less losses from assets held for sale	**–3**	**–1**	**4**	**6**	**–2**
Net profit	**284**	**37**	**–170**	**1,027**	**3,507**
Attributable to minority interests	27	12	23	2	1
Attributable to equity holders [1)]	257	25	–193	1,025	3,506
1) Basic earnings per share, SEK	0.12	0.01	–0.09	1.03	5.12
Diluted earnings per share, SEK	0.12	0.01	–0.09	1.03	5.12

Key figures

	2009	2008	2007	2006	2005
Return on equity, %	1.2	13.1	19.3	20.8	15.8
Return on total assets, %	0.05	0.42	0.63	0.64	0.48
Return on risk-weighted assets, %	0.13	1.13	1.68	1.71	1.31
Basic earnings per share, SEK	0.58	10.36	14.12	13.24	8.89
Diluted earnings per share, SEK	0.58	10.36	14.05	13.10	8.75
Cost/income ratio	0.64	0.62	0.57	0.58	0.65
Credit loss level, %	0.92	0.30	0.11	0.08	0.11
Total reserve ratio for individually assessed impaired loans, %	69.5	68.5	n/a	n/a	n/a
Gross level of impaired loans, %	1.39	0.73	n/a	n/a	n/a
Total capital ratio, % [1)]	13.50	10.62	11.04	11.47	10.83
Tier I capital ratio, % [1)]	12.78	8.36	8.63	8.19	7.53
Risk-weighted assets, SEK bn [1)]	795	986	842	741	705
Number of full time equivalents, average	20,233	21,291	19,506	19,672	18,948
Assets under custody, SEK bn	4,853	3,891	5,314	5,234	4,194
Assets under management, SEK bn	1,356	1,201	1,370	1,262	1,118

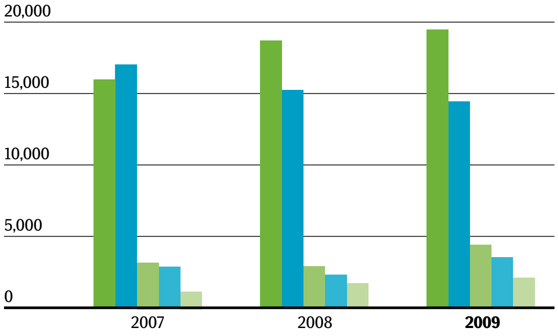
1) Basel II (legal reporting with transitional floor) from 2007, Basel I 2005–2006

deposit margins. Average deposit volumes grew by 5 per cent, while average lending to the public was 8 per cent higher than in 2008, in total contributing SEK 928m to net interest income.

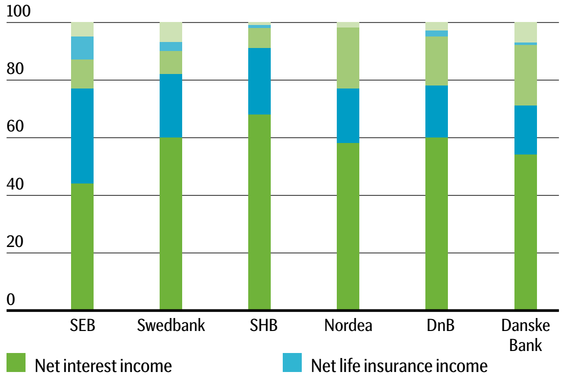
During 2009, short-term funding rates decreased significantly and the yield curves in the bond markets flattened to more normal levels. Together with the Group's funding position at the beginning of the year this contributed SEK 465m to net interest income. The positive impact subsided during the year. The decision to gradually increase matched funding to approximately 18 months reduced net interest income by SEK 1,200m.

Net interest income also included a cost of SEK 300m for the new charge related to the Swedish stability fund.

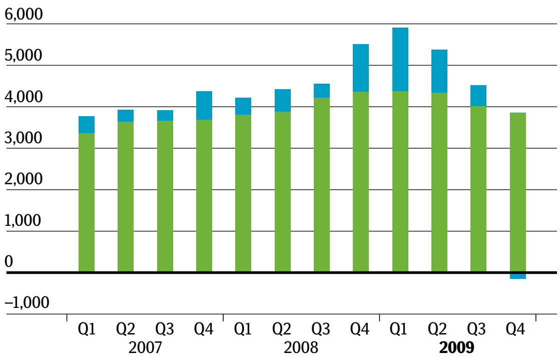
Income distribution
SEB Group, SEK m



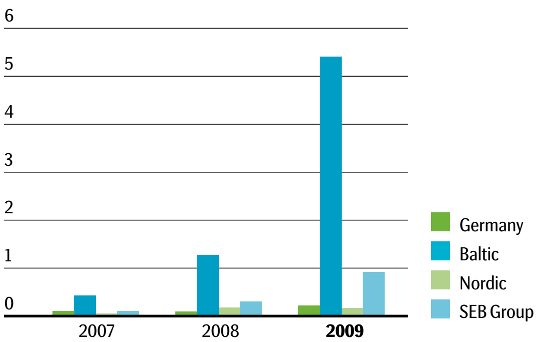
SEB income mix vs. peers
Income distribution per type of income, average 2007–2009, per cent



Net interest income trend
SEB Group, SEK m



Level of net credit losses
Per cent



Net fee and commission income decreased by 5 per cent, to SEK 14,460m (15,254), although income improved during the year. The decrease was due to lower income from equity trading and custody as well as reduced performance fees from asset management, including a provision of SEK 185m for compensation to mutual fund holders. Commissions from payments and cards and other non-capital market related business were virtually flat.

Net financial income increased by SEK 1.5bn to SEK 4,485m (2,970). This was an effect of higher market volatility in the first half of 2009 and high customer activity in the foreign exchange and fixed-income businesses within the trading and capital market areas. The increase was also due to SEK 1,162m lower valuation losses related to the bond investment portfolio and the write-off of Lehman Brothers exposures in 2008.

Net life insurance income rose by SEK 1,222m, or 51 per cent, to SEK 3,597m (2,375). The improvement was equally due to recovered provisions for traditional life portfolios and increased unit-linked values.

Net other income increased to SEK 2,181 (1,795). Adjusted for capital gains – SEK 1.6bn in 2009 and SEK 0.8bn in 2008 – net other income decreased by SEK 405m.

Expenses

Total operating expenses amounted to 28,397m (25,407). Excluding goodwill impairment charges of SEK 2,969m in Eastern Europe (see next page) and restructuring cost, total expenses rose by 3 per cent. Adjusted also for a negative foreign exchange translation effect of SEK 1.1bn, total expenses dropped by 2 per cent. The cost-efficiency gains during the year amounted to SEK 797m, resulting in an accumulated improvement of SEK 1,826m from the start of the efficiency programme in 2007. The efficiency savings more than offset higher pension provisions and redundancy charges.

Staff costs decreased by 4 per cent, to SEK 15,574m (16,241). This was mainly due to lower short-term remuneration and lower redundancy costs. Pension costs more than doubled to SEK 1,544m (739) due to falling returns on plan assets and changed actuarial assumptions regarding longevity.

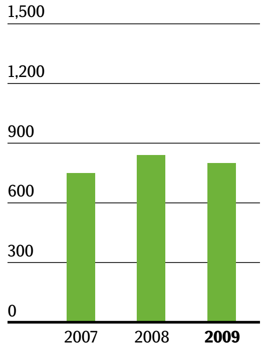
The cost for short-term cash based remuneration decreased reflecting the overall lower operating result for the Group (see further on pp 25–27).

The costs for long-term equity based programmes increased following the development of performance criteria. Social charges rose due to the share price appreciation in 2009.

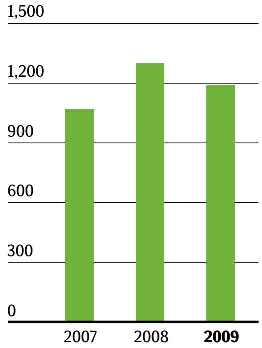
The average number of full time equivalents decreased by 1,058 to 20,233 (21,291). The number of staff has decreased by 1,569 since year-end 2008, of which 509 in Sweden, 443 in the Baltic countries and 617 in other countries. The "net 500 programme" for 2009 in Sweden has been completed.

Other expenses rose by 6 per cent, to SEK 8,128m (7,642), including investments in One IT Roadmap, other IT and business development as well as efficiency projects.

Deposits from the public
SEK bn



Lending to the public
SEK bn



Goodwill impairment charges for Eastern Europe

SEB's goodwill impairment write-off for its investments in Eastern Europe in 2009 amounted to SEK 2,969m. Of this, the Baltic countries accounted for SEK 2,298m, Ukraine for SEK 594m and Russia for SEK 77m. Following these impairments, SEB has no goodwill left related to its operations in Eastern Europe.

The goodwill write-offs should be seen in light of the severe economic situation with lower lending volumes and a sharp increase in impaired loans in the region.

Credit losses and provisions

The Group's *net credit losses* increased to SEK 12,448m (3,231), leading to a net credit loss level of 0.92 per cent (0.30). The majority, SEK 10,665m, were provisions for credit losses and SEK 1,783m were write-offs (see further pp 42–46).

Tax costs

Total tax amounted to SEK 2,200m (2,421). The total tax rate of 65 per cent reflects the non-tax deductibility of the goodwill impairment charges, which added 16 percentage points to the effective tax rate. Furthermore, it is affected by the increased credit provisions in the Baltic countries, where tax rates are between 0–15 per cent.

Financial structure

The Group's balance sheet totalled SEK 2,308bn (2,511) as of 31 December, a decrease of 8 per cent since year-end 2008. Lending to banks increased, while lending to and deposits from the public dropped by 8 and 5 per cent, respectively. Negative currency effects amounted to SEK 78bn.

Assets

The largest asset item on the balance sheet consists of loans to the public, which decreased somewhat, to SEK 1,188bn (1,297) during the year. Loans to credit institutions increased to SEK 331bn (266).

SEB's total credit portfolio decreased, to SEK 1,816bn (1,934); see further pp. 42–46 and Note 17.

Financial assets within insurance operations are classified as financial assets at fair value. Investment contracts, where the insurance policyholders carry the risk (unit-linked insurance), amounted to SEK 155.5bn (114.5). Insurance contracts (traditional insurance operations) amounted to SEK 89.1bn (94.8).

Fixed-income securities portfolios

SEB maintains portfolios of fixed income securities for investment, treasury and client trading purposes. These portfolios mainly comprise government bonds, covered bonds, bonds issued by financial institutions and structured credits.

At year-end 2009, the total gross position was SEK 361bn (399) and the net position SEK 262bn (355). See further p. 47 in the Risk and Capital Management chapter. SEK 90bn was related to the bond investment portfolio.

Bond investment portfolio

As per 31 December, the bond investment portfolio of Merchant Banking had decreased to SEK 90bn from SEK 133bn a year earlier; SEK 9bn of the decrease was due to negative foreign exchange translation effects. The holdings of structured credits in the investment portfolio amounted to SEK 47bn (68) and the holdings of covered bonds and bonds issued by financial institutions in the investment portfolio amounted to SEK 43bn (65).

69 per cent of the structured credits are related to the European markets, 30 per cent to the U.S. market while other markets make up 1 per cent. 60 per cent of the bonds issued by financial institutions involve European, 35 per cent U.S. and 5 per cent Australian institutions. 100 per cent of the holdings of covered bonds are European.

Based on SEB's long-term investment view, risk management has been focused on reducing holdings in the portfolio. Thus, and including the reclassification within the portfolio, the Held-for-Trading holdings decreased to SEK 3bn (8), the Available-for-Sale holdings to SEK 13bn (24) and securities classified as Loans and Receivables to SEK 74bn (101).

The valuation gains and losses are shown in the table below. Including the fair value decline of SEK 2,467m in 2007, the total fair value change – recognized and as a shadow valuation – at year-end 2009 amounted to SEK 11,019m.

The holdings of structured credits in the investment portfolio which are AAA-rated decreased to 62 per cent (93). The causes for the decrease are evenly split between volume effects from amortisations and sales on the one hand, and rating migration on the other. The migration reflects the more harsh, but late, treatment of structured credits by rating agencies and consequently valuation effects on the securities from these actions have been limited. The lower share of AAA-rated securities does not change SEB's

Bond investment portfolio

SEK m	Q4 2009	Q3 2009	Q4 2008	Jan–Dec 2009	Jan–Dec 2008
Structured credits	16	28	–262	–433	–1,070
Financial institutions	–55	–7	11	–29	–9
Covered bonds etc.	5	1	64	16	10
Income effect	**–34**	**22**	**–187**	**–446**	**–1,069**
Structured credits	184	259	–271	641	–1,460
Financial institutions	46	144	–64	500	–667
Covered bonds etc.	–109	727	–250	233	–780
Equity effect	**121**	**1,130**	**–585**	**1,374**	**–2,907**
Total recognized	**87**	**1,152**	**–772**	**928**	**–3,976**
Fair value of reclassified securities	2,237	3,235	–4,917	1,373	–6,875
Total fair value	**2,324**	**4,387**	**–5,689**	**2,301**	**–10,851**

views that under prevailing credit market conditions, material defaults on the holdings in the portfolio are unlikely. The risk for impairment charges has increased but is deemed unlikely to be material. There are no impaired assets in the portfolio and a very limited number of 'level 3' assets (see Note 18). The current estimated average duration of the holdings is approximately four years and the current annual amortisation amount is about SEK 8bn.

Derivatives

At year-end 2009, the notional amount of the Group's derivatives contracts totalled SEK 7,277bn (9,007). The volumes are primarily driven by offering clients derivatives products for management of their financial exposures. The Group manages the resulting positions by entering offsetting contracts in the market place. As a consequence, the mix of derivatives as detailed in Note 45 largely reflects the demand of the Group's customer base. The customer and market making transactions form part of the trading book and are valued at market on a continuous basis.

The Group also uses derivatives for the purpose of protecting the cash-flows and fair value of its financial assets and liabilities from interest rate fluctuations. Also these contracts are accounted for at market value.

The major portion of the Group's derivatives engagements is related to contracts with short maturity, which are dominated by interest- and currency-related forwards. A minor portion consists of exchange-traded derivatives contracts, where profits and losses are continuously settled on a cash basis.

Positive market values imply a credit exposure on the counterparty; the credit risk aspect of this is discussed in Risk and Capital Management p. 43.

Intangible fixed assets, including goodwill

At year-end 2009, intangible assets totalled SEK 17.2bn (19.4), of which 65 per cent consists of goodwill. The most important goodwill items were related to the acquisition of the Trygg-Hansa group in 1997, at SEK 5.7bn, and investments in the credit card business in Norway and Denmark, at SEK 1.2bn. Goodwill items are not amortised, but are subject to a yearly impairment test. In the first half of 2009, SEB wrote off all goodwill related to business in the Baltic countries, Ukraine and Russia, for a total of SEK 2,969 bn.

Deferred acquisition costs in insurance operations amounted to SEK 3.4bn (3.0).

Further information is found in Note 27.

Deposits and borrowing

The financing of the Group consists of deposits from the public (households, companies etc.), loans from Swedish, German and other financial institutions and issues of money market instruments, covered bonds, other types of bonds and subordinated debt. Deposits and borrowing from the public decreased by SEK 40bn, to SEK 801bn (841). Deposits by credit institutions was down by SEK 32bn, to SEK 397bn (429).

Liabilities in insurance operations

At year-end, liabilities in insurance operations amounted to SEK 249.0bn (211.1). Out of this, SEK 155.9bn (115.1) was related to investment contracts (unit-linked insurance) and SEK 93.1bn (96.0) to insurance contracts (traditional insurance).

Total equity

Total equity at the opening of 2009 amounted to SEK 83.7bn. Following the rights issue and the withheld dividend for 2008, total equity rose to SEK 99.7bn at year-end 2009.

Capital measures

During 2009 strengthening of the balance sheet and liquidity had highest priority for SEB and the Bank undertook a string of measures as detailed on pp 40–41 in the Risk and Capital Management section.

Capital adequacy

The SEB Group is a financial group that comprises banking, finance, securities and insurance companies. The capital adequacy rules apply to each individual Group company that has a licence to carry on banking, finance or securities operations as well as to the consolidated financial group of undertakings. Similarly, Group companies that carry on insurance operations have to comply with capital solvency requirements.

The consolidated SEB Group should also comply with capital requirements concerning combined banking and insurance groups ("financial conglomerates").

Capital position

As per 31 December 2009 the Group's Basel II risk-weighted assets (RWA) amounted to SEK 730bn, leading to a Tier I capital ratio of 13.9 per cent (10.1) and a core Tier I capital ratio of 11.7 per cent (8.6). The total capital ratio was 14.7 per cent (12.8).

Risk-weighted assets decreased by 11 per cent or SEK 87bn during 2009, of which SEK 24bn due to the stronger Swedish krona. The remaining change is the net effect of risk class migration, Basel II methodology advances and a reduction of business volumes.

Adjusted for the supervisory transitional rules during the first Basel II years, SEB reports RWA of SEK 795bn (986), a Tier I capital ratio of 12.8 per cent (8.4) and a total capital ratio of 13.5 per cent (10.6). The lowering in 2009 of Basel II implemen-

Rating

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

tation floors (from 90 to 80 per cent of Basel I requirements) is reflected in these ratios.

Further information about capital adequacy and capital base is found in the Risk and Capital Management section on pp 53–54 and in Note 49.

Rating

In February 2010, Standard & Poors changed its outlook from negative to stable and affirmed SEB's long-term A rating. In April 2009, Moody's lowered SEB's rating from Aa2 to A1, with a negative outlook. In June 2009, Fitch affirmed SEB's long-term rating at A+ with stable outlook. The rating agencies refer to the Baltic macroeconomic challenges as the main rating driver. SEB targets a long-term AA rating.

The table on p. 24 shows the ratings of SEB as of February 2010.

Dividend

The size of SEB's 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 growth based on a capital base for the financial group of undertakings supporting a core capital ratio of minimum 10 per cent, without transition rules. Over a business cycle, the dividend per share shall correspond to around 40 per cent of earnings per share.

For 2009, the Board proposes a dividend of SEK 1.00 per Class A and Class C share respectively. The total dividend amounts to SEK 2,193m (0), calculated on the total number of issued shares as per 31 December 2009, excluding repurchased shares. The SEB share will be traded ex dividend on 12 May 2010.

The proposal shall be seen with reference to the decision to cancel dividend in conjunction with the rights issue in 2009, the improved outlook for the economic environment and the Group's capital situation.

Outlook for 2010

Since mid-2009 the economic outlook for the global economy has been revised upwards. At the same time, clear signs of recovery have been visible in the financial markets. Whilst global imbalances persist and may affect the nearest future, SEB's asset quality is expected to remain robust in the Nordic countries and Germany. The Baltic asset quality situation is expected to improve in 2010 (see pp 36–39).

Remuneration report

Remuneration strategy

SEB has a clear remuneration philosophy, based on the promotion of an internal culture that long-term acts in the benefit of the customers and thus over time will give the Bank's shareholders the best return. The competence and commitment of SEB's employees are key to the Bank's development in the long run.

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 firms. As more than half of SEB's income is attributable to business with large companies and financial institutions, the remuneration model within these business areas needs to reflect the international market in which the Bank competes. In other words, the remuneration model has been adapted to individual competences, each respective business line and country of operation.

Excellent business performance shall be established by combining great individual performance and balanced risk taking. Remuneration shall be built for encouraging short-term results as well as long-term strategic decisions needed to ensure a sustained business performance over time. It shall reflect sound risk management by taking into account the cost of capital employed and liquidity required.

SEB has designed a remuneration structure based upon three major components:

- Base salary
- Variable salary (short-term cash based and long-term equity based compensation)
- Pension and other benefits.

Variable pay is a means to drive and reward performance and behaviours to create short and long term shareholder value; it is also an essential way of adapting a flexible remuneration cost. SEB strives to align the pay-out horizon of variable pay with the risk horizon.

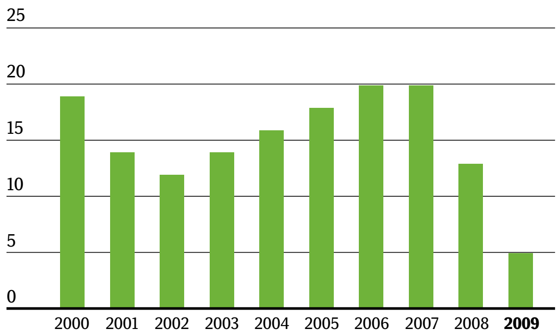
Short-term variable cash compensation in SEB shall be based on the annual performance and behaviours of the individual as well as the team/business unit and SEB Group as a whole.

The purpose of the long-term equity based compensation is to reward senior managers, key employees and top performers as well as to stimulate employees to become shareholders and thereby aligning their interests and perspectives with those of the shareholders.

The components are used to achieve an adequate total remuneration with a sound balance between fixed and variable remuneration and short- and long-term remuneration. The total remuneration shall reflect the complexity, responsibility and leadership skills required in the position as well as the performance of the employee.

Variable remuneration reduced

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



In 2009, the short-term variable cash compensation corresponded to 5 per cent of SEB's total staff costs compared with 13 per cent in 2008. The decrease affected all employees in SEB and reflected the lower operating result for the Group.

The President and the other members of the Group Executive Committee are not eligible to short-term variable cash compensation, in accordance with the remuneration guidelines that was approved at the 2009 Annual General Meeting (AGM). None of the 60 highest managers received short-term variable cash compensation for the year.

In 2009, SEB had three long-term equity based programmes: a Share Savings Programme for all employees, a Performance Shares Programme for senior managers and key employees and a Share Matching Programme for selected key employees and senior executives. The programmes are described below.

The Head of Group HR and Organisational Development conducts a yearly review of SEB's Remuneration Policy and can, after having consulted among others Group Risk Control, propose amendments to the policy. After preparations in the Group Executive Committee, the President gives a proposal to amended policy to the Remuneration and Human Resources Committee of the Board. The Committee prepares the proposal for Remuneration Policy for final adoption of the Board.

In Sweden a new regulatory framework for remuneration within the financial sector came into force on 1 January 2010. SEB adheres to this framework.

Remuneration to the President and the Group Executive Committee

SEB's Board of Directors has prepared proposals as to guidelines for the salary and other remuneration to the President and the Group Executive Committee, which were approved by the 2009 AGM. According to these guidelines, the Board has decided on the actual remuneration to the President following a proposal from the Remuneration and Human Resources Committee. The Committee has also decided on the remuneration of the other members of the Group Executive Committee according to the guidelines established by the 2009 AGM. To the 2009 AGM the external auditors gave a report that the Board and the President during 2008 have complied with the guidelines for compensation to members of senior management as adopted by the 2008 AGM. The total remuneration to the President and the members of the Group Executive Committee in 2009 was based upon three main components: base salary, long-term equity based compensation and pension. Thus, the remuneration does not include short-term variable cash compensation. In addition, other benefits such as company car and home service may be offered according to market practice.

The remuneration to the President and the members of the Group Executive Committee during 2009 is specified in Note 9 c.

Consequences of the State Guarantee Programme

SEB entered on 6 May 2009 into an agreement with Riksgälden under the State Guarantee Programme. The agreement lapsed on 31 October 2009 without SEB having used any guarantees. During the agreement period 6 May – 31 October 2009 certain restrictions regarding remuneration have been applied for the five members, including the President, of the Group Executive Committee having the highest total remuneration. Base salary has been kept at the level before 20 October 2008.

The executives have not participated in the Share Savings Programme 2008 during the guarantee agreement period. They participate in SEB's Performance Share Programmes. However performance during the guarantee agreement period will not be considered when performance under the pre-determined performance criteria is calculated for the programmes and not be included when vesting under the programmes are established for this group.

The executives have not participated in the Share Matching Programme during 2009.

Long-term Equity Based Programmes

Long-term equity based programmes shall , except for all-employee programmes, be performance-based. The purpose of the programmes is to reward senior managers and key employees and stimulate employees to become shareholders and thereby aligning their interests and perspectives with those of the shareholders.

SEB:s first long-term equity based programme was introduced in 1999, after which additional programmes have been launched for the years 2000–2009. From 1999 to 2004 the programmes consisted of employee stock options. For the years 2005–2009 performance shares were used. In 2008 a Share Savings Programme was introduced. Furthermore, a Share Matching Programme was introduced in 2009. Information about the programmes has been provided in the annual reports and, since 2002, at the AGM's. The scope of SEB's long-term equity based programmes are specified in Note 9 d.

The 2009 AGM resolved on three different programmes for 2009 with different aims and partly overlapping target groups;

- a Share Savings Programme for all employees
- a Performance Share Programme for senior officers and other key employees and
- a Share Matching Programme for a small number of select key employees.

All three Programmes are share-based and require that the participants remain with SEB for a specified period of time. The Performance Share Programme and the Share Matching Programme are also based on performance.

Share Savings Programme

The Share Savings Programme includes all employees and is designed to support "One SEB" and create a long-term commitment to SEB. The employees are offered to purchase SEB A-shares for an amount corresponding to five per cent of their gross base salary. For the amount, at current stock exchange rate, purchases are made during four periods, following the publication of the Bank's quarterly reports. If the shares are retained by the employee for three years from the investment date and the participant remains with SEB during this time, the Bank will give the employee one SEB A-share for each retained share.

Performance Share Programme

The Programme is based on performance shares with the aim to attract and retain senior officers and other key employees, to create a long-term commitment to SEB, to strengthen the overall perspective on SEB and to create an incentive for the participants to become shareholders in SEB. A performance share under the Programme is a conditional right to acquire one SEB A-share at a future date. The outcome of the Programme, i.e. the number of allotted performance shares that can be finally utilised, is dependent on how certain pre-determined performance criteria are fulfilled. The performance criteria are measured during an initial three-year period. A further requirement is that the participant remains with SEB. The Programme has a duration of seven years, including the performance period.

Share Matching Programme

The Programme comprises approximately 70 key employees in SEB including members of the Group Executive Committee. 25 per cent of the short-term cash based variable compensation for the participant related to the financial year 2008 is mandatory deferred for three years. The deferred amounts are allocated to a deferral incentive pool. A determined number of deferral rights is registered for each participant in the pool. One deferral right corresponds to the fair market value of one SEB A-share at the time of allocation to the pool. After three years the participant receives one SEB A-share for each deferral right and may furthermore receive a conditional number of additional matching SEB A-shares. The number of additional matching SEB A-shares received is dependent on how a pre-defined performance criterion is fulfilled during the three-year period, and is subject to a cap, which ultimately limits the number of such matching SEB A-shares. A further requirement is that the participant remains with SEB during the three-year period.

Performance criteria of the 2009 long-term equity based programmes

At SEB's annual general meeting in March 2009 two performance-related programmes were adopted: the Performance Share Programme (PSP) and the Share Matching Programme (SMP).

Under the PSP programme allocation to a participant is awarded 50 per cent depending on SEB's performance relative to a total shareholder return benchmark (based 75 per cent on Nordic banking peers and 25 per cent on the FTSEurofirst 300 Banks index) and 50 per cent on SEB's total shareholder return outperformance of the long-term interest rate (LTIR).

Under the SMP programme, allocation is awarded to a participant depending on SEB's TSR outperformance of the long-term interest rate (LTIR).

The performance criteria, the outperformance and the theoretical effect on dilution as per December 31 of the 2007 and 2008 PSP programmes as well as the 2009 programmes are presented below.

Calculated Performance Criteria December 31, 2009

Programme	Performance criterion 1	Per cent of performance condition	Performance criterion 2	Per cent of performance condition	Current vesting	Per cent of total no of shares
2007 PSP Programme						
Outperformance vs target/index		50%		50%	0%	–
Criteria for full allocation	TSR (annualized) Index plus 8%		Real EPS growth plus 10%			
Criteria for min allocation	TSR (annualized) Index flat		Real EPS growth plus 2%			
2008 PSP Programme						
Outperformance vs target/index		50%		50%	0%	–
Criteria for full allocation	TSR (annualized) Index plus 8%		Nominal EPS growth plus 12%			
Criteria for min allocation	Index flat		Nominal EPS growth plus 4%			
2009 PSP Programme						
Outperformance vs target/index		50%		50%	50%	0.1
Criteria for full allocation	TSR (annualized) Index plus 7%		TSR>=LTIR+11% p.a.			
Criteria for min allocation	Index flat		TSR>=LTIR 2% p.a.			
2009 SMP Programme						
Outperformance vs target/index		100%			100%	0.2
Criteria for full allocation	TSR>=LTIR+23% p.a.					
Criteria for min allocation	TSR>=LTIR+2% p.a.					

Merchant Banking

The Merchant Banking division has overall responsibility for servicing large and medium-sized companies, financial institutions, banks, and commercial real estate clients. It operates in 17 countries.

Merchant Banking offers its clients integrated investment and corporate banking solutions, including certain investment banking activities under the brand name SEB Enskilda. Merchant Banking's main areas of activity include:

- Lending and debt capital markets
- Trading in equities, currencies, fixed income, commodities, derivatives, futures and exchange traded funds
- Advisory services, brokerage, research and trading strategies within equity, fixed income, commodities and foreign exchange markets
- Prime brokerage and securities related financing solutions
- Corporate finance
- Export, project and trade finance
- Acquisition finance
- Venture capital
- Cash management, liquidity management and payment services
- Custody and fund services
- Leasing and factoring products.

Merchant Banking is continuously strengthening its presence and widening its range of products, with a focus on expanding client coverage in key growth markets, primarily Sweden, Norway, Denmark, Finland and Germany.

	2009	2008
Percentage of SEB's total income	46	40
Percentage of SEB's operating profit	70	53
Percentage of SEB's staff	13	13

Profit and loss account

SEK m	2009	2008	Change per cent
Net interest income	9,982	7,414	35
Net fee and commission income	5,647	5,248	8
Net financial income	4,377	3,625	21
Net other income	46	526	–91
Total operating income	**20,052**	**16,813**	**19**
Staff costs	–3,529	–3,890	–9
Other expenses	–3,863	–3,594	7
Depreciation of assets	–155	–95	63
Total operating expenses	**–7,547**	**–7,579**	**0**
Profit before credit losses etc	**12,505**	**9,234**	**35**
Gains less losses on assets	–1	5	–120
Net credit losses	–805	–889	–9
Operating profit	**11,699**	**8,350**	**40**
Cost/Income ratio	0.37	0.45	
Business equity, SEK bn	35.1	27.0	
Return on equity, %	24.1	22.3	
Number of full time equivalents, average	2,630	2,721	

Record annual income and profits

The 2009 financial results should be seen in the light of a remarkable year for the industry and for Merchant Banking. Extreme market turbulence and a great uncertainty about the future economic development prevailed in the first half of 2009. By contrast, the year ended with rapidly improving sentiment and less volatility in the markets.

Merchant Banking's financial result clearly reflected this "year of two halves" with strong, volatility driven earnings in the first six months and lower activity after the summer. For the full year, Merchant Banking posted a record financial result. Performance was strong across all business areas. Operating income reached SEK 20bn, an increase of 19 per cent year-on year, and operating profit rose by 40 per cent, to SEK 11.7bn. Costs were stable at SEK 7.5bn, partly due to lower variable compensation.

Strong asset quality and lower credit losses

For most corporate clients demand for new lending declined as the year progressed, with gradually lower utilisation of credit facilities including the back-up facilities that were put in place in late 2008, when the capital markets were closed. However, overall volumes were supported by an inflow of new customers.

Asset quality remained robust, both in terms of the lending portfolio and the strategic investment portfolio, which was actively reduced in size to SEK 90bn (133) without incurring any credit losses. In a year of market turmoil and global recession, Merchant Banking managed to reduce the credit losses by 9 per cent compared with 2008.

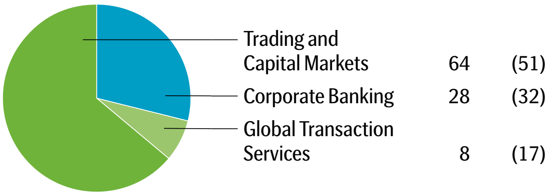
Continued leadership within investment banking and other core business segments confirmed

Unusually high net interest income during the first half of the year normalised towards year-end, although a positive underlying trend was still visible within Corporate Banking.

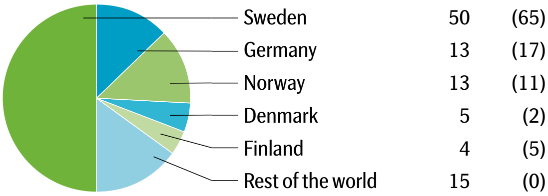
Market volatility subsided as the year progressed and risk appetite increased. Improved confidence led to a reduction of liquidity risk premiums and to a recovery of asset valuations. Normalised market conditions resulted in lower activity in Trading and Capital Markets, notably within foreign exchange, and some reduction of new lending margins compared to those prevailing a year earlier. As corporate bond issuance resumed, SEB was the leading arranger of SEK denominated bonds in 2009 and in general expanding its market share for Nordic issuers.

Despite improved sentiment, stock market volumes were cyclically low throughout 2009 and equities income was relatively weak. Continued leadership in this area was confirmed by the recent Prospera survey, in which Nordic institutions again ranked SEB Enskilda number one in the region. SEB Enskilda was also lead advisor on many of the region's key M&A transactions. Global Transaction Services' revenues stabilised in the latter part of the year as interest rates and transaction volumes bottomed out following the implementation of the new Central

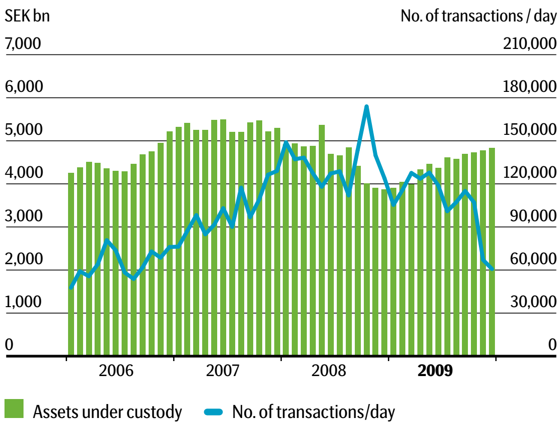
Share of operating profit by business area
2009, per cent of total (SEK 11,699m)



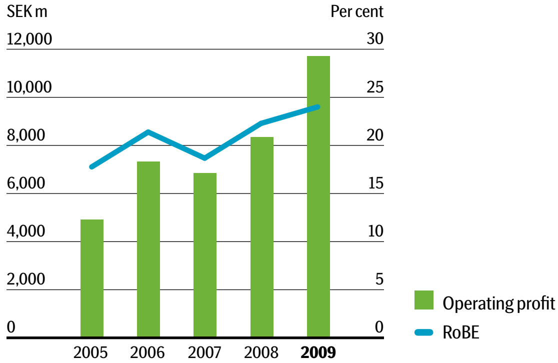
Share of income by country
2009, per cent of total (SEK 20,052m)



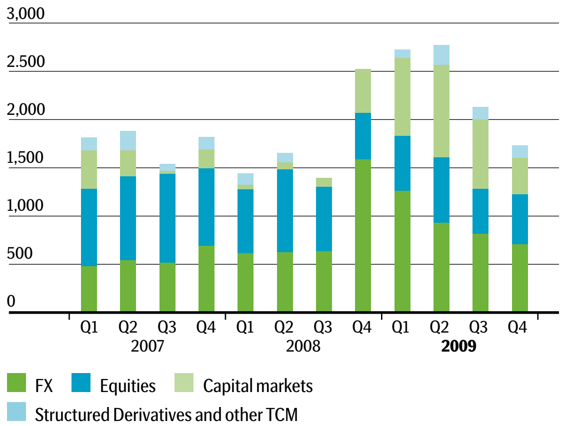
Custody volume development



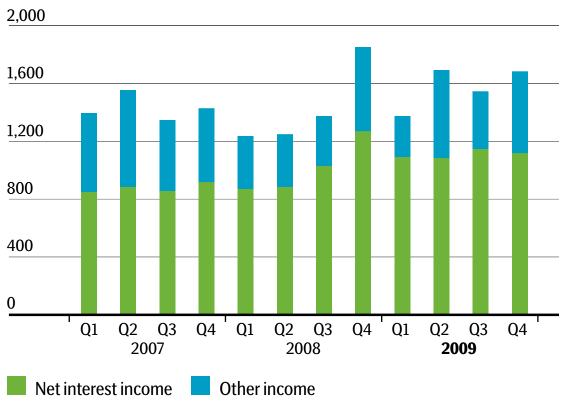
Financial development
Operating profit and Return on Business Equity



Trading and Capital Markets – income
By main product cluster, excl. investment portfolios, SEK m



Corporate Banking – income
SEK m



Counterparty Clearing House ("CCP"). At year-end, assets under custody were SEK 4,853bn (3,891).

Competitive situation

Over the past two years, financial markets have faced historic challenges and a number of competitors have reduced their commitment to companies in Merchant Banking's home markets. Even in the most stressed periods of market dislocation, Merchant Banking was an active partner for its clients, supporting them financially and with advice. The enhanced relationships forged during this period are expected to provide a strong platform for future growth.

Strong performance foundation for future growth

In 2010, Merchant Banking will focus on accelerating the growth, particularly outside Sweden, by making additional investments in client coverage teams and by investing capital in new customer relationships. These initiatives will support Merchant Banking in expanding its market share in all Nordic countries, especially outside Sweden. The division will also substantially grow its corporate franchise in Germany. With SEB's strong capital and liquidity position, Merchant Banking is well placed to realize this growth potential.

Retail Banking

The Retail Banking division serves 2.5 million private customers and 180,000 small and medium-sized corporate customers in Sweden and Germany. Customers have access to SEB's complete range of financial services through 334 branch offices, telephone and e-banking services.

The business areas are

- Sweden, with a network of 160 branch offices servicing 1.7 million customers, of whom 1.1 million use internet services and 155,000 are small and medium-sized companies.
- Germany, with a network of 174 branch offices servicing 1.0 million customers, of whom 275,000 use internet services and 24,000 are small and medium-sized companies.
- Card, with 3.3 million charge, credit, debit and co-branded cards. The business area operates in Sweden, Denmark, Norway and Finland and includes trade marks like Eurocard and Diners Club. Card also has acquiring agreements with more than 200,000 retailers.

	2009	2008
Percentage of SEB's total income	27	29
Percentage of SEB's operating profit	10	21
Percentage of SEB's staff	25	25

Profit and loss account

SEK m	2009	2008	Change per cent
Net interest income	6,879	7,195	–4
Net fee and commission income	4,428	4,691	–6
Net financial income	290	248	17
Net other income	83	92	–10
Total operating income	**11,680**	**12,226**	**–4**
Staff costs	–4,052	–3,828	6
Other expenses	–4,433	–4,283	4
Depreciation of assets	–180	–222	–19
Total operating expenses	**–8,665**	**–8,333**	**4**
Profit before credit losses etc	**3,015**	**3,893**	**–23**
Gains less losses on assets	–2	2	
Net credit losses	–1,369	–650	111
Operating profit	**1,644**	**3,245**	**–49**
Cost/Income ratio	0.74	0.68	
Business equity, SEK bn	15.8	14.5	
Return on equity, %	8.2	16.2	
Number of full time equivalents, average	5,078	5,346	

Lower policy rates behind decrease

Although the Retail division's income and result for the last quarter of 2009 improved slightly, operating result for 2009 decreased to SEK 1,644m (3,245). Financial performance during 2009 was significantly negatively affected as income from deposits contracted following sharply lower policy rates. Contribution from lending increased.

Strengthened customer relations in Retail Sweden

Retail Sweden gained market share in the important mortgage market. Volume growth continued and margins recovered slightly. Credit-granting criteria were tightened to safeguard asset quality in a future, more normal interest rate environment. Credit losses related to the mortgage stock remained very low; only SEK 10.7m was written off in 2009.

In the market for small and medium-sized enterprises, where lending growth was more modest in 2009, SEB strengthened its position as reflected both by external ratings (SEB was awarded the Swedish Magazine Privata Affärer's annual award "SME bank of the year") and by attracting 12,200 new customers.

In the affluent private segment additional customers were gained and by year-end close to 30,000 of Retail Sweden's customers were assisted by a financial advisor.

Overall customer interaction intensified as exemplified by 19 per cent higher incoming phone calls in the telephone bank and the launch of smartphone services.

Annual operating expenses grew by less than 1 per cent. Focus on efficiency improvement remained intense and by year-end a net reduction of 200 full time equivalents had been completed. Provisions for credit losses amounted to SEK 395m (190); asset quality has so far weathered the economic downturn relatively well. Retail Sweden's operating profit for 2009 was SEK 1,878m (2,378).

Challenging position for Retail Germany

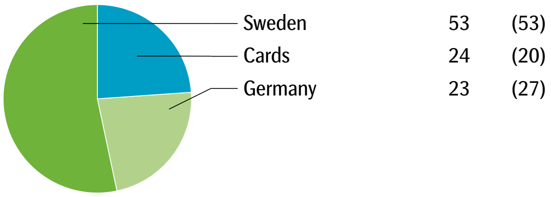
Retail Germany could not offset the negative effects of lower market interest rates and customer activity. Provisions for credit losses amounted to SEK 529m. The sharp increase in provisions compared with 2008 was due to reversals in previous years, losses outside the core retail portfolio and slightly impaired credit quality in several parts of the retail lending portfolio. Retail Germany's operating result for 2009 amounted to SEK –1,246m (134).

Best result to date for the Card business

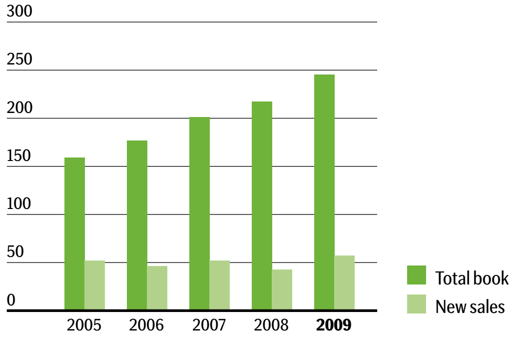
For the *Card* business area, 2009 was a year of all time high both in terms of income and operating profit. Although growth in card turnover has been held back by macroeconomic forces, market conditions provided strong support through low funding costs. In a longer perspective, these forces are likely to rebalance and increased card usage will return to being a key driver of revenue and profit growth. In combination with decreasing average purchase amounts this means that realizing economies of scale and making processes ever more efficient are of vital importance. Throughout the last five years Card has made substantial improvments and today it handles more than 50 per cent more transactions with the same level of staffing.

Provisions for credit losses and fraud in the fourth quarter

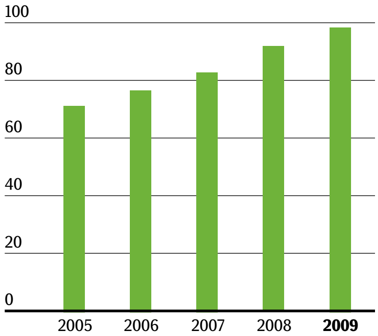
Operating income by business area
2009, per cent of total (SEK 11,680m)



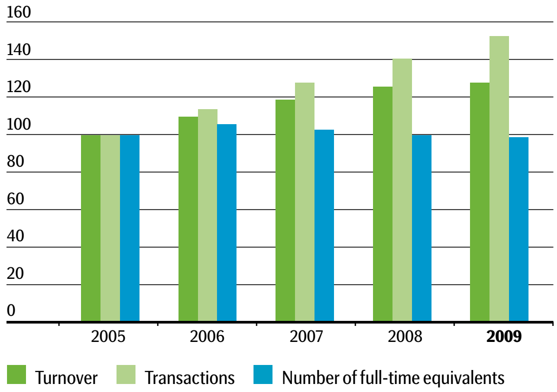
Private mortgage loans in Sweden
SEK bn



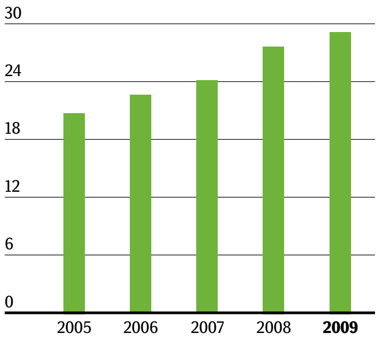
Number of small and medium-sized companies in Sweden
Thousands (cash management customers)



Card development
2005 = index 100



Number of affluent clients in Sweden
Thousands (Clients served by financial advisors)



were lower than in previous quarters of 2009 and total annual net credit losses amounted to SEK 445m (401). Operating profit for 2009 was SEK 1,012m (734).

Outlook in the mid-term perspective

In Sweden, focus going forward will be to further improve customer offerings and customer experience by offering attractive and accessible products. SEB will also strive to further strengthen the position in the segment of small- and medium sized companies. An improved economic outlook and increased interest rates will support growth in operating income in the mid-term.

In Germany, a gradual pick-up in client activities and interest rates will give some support in the mid-term perspective, but the challenge to improve profitability remains and the work with efficiency improvements continues.

The support from low funding cost for the Card business will gradually diminish in the short to mid-term. However, accelerated organic growth with an increase in number of cards and card usage, supported by a stronger economic outlook, will offset the negative impact from higher interest rates.

Wealth Management

The Wealth Management division has two business areas:

- **Institutional Clients** – which provides asset management services to institutions, foundations and life insurance companies and is responsible for the investment management, marketing and sales of SEB's mutual funds.
- **Private Banking** – which serves the higher end of the private individual segment in and outside Sweden.

The division offers a full spectrum of asset management and advisory services and its product range includes equity and fixed income, private equity, real estate and hedge fund management. Wealth Management has around 1,000 employees and manages SEK 1,275bn of assets. Wealth Management has offices in the Nordic and Baltic countries, Luxembourg, Germany, the United Kingdom, Singapore, Switzerland and France. The division distributes its services mainly through its institutional client sales force, SEB's retail network, its own private banking units and through third party distributors.

	2009	2008
Percentage of SEB's total income	8	11
Percentage of SEB's operating profit	7	13
Percentage of SEB's staff	5	5

Profit and loss account

SEK m	2009	2008	Change per cent
Net interest income	598	892	–33
Net fee and commission income	2,955	3,680	–20
Net financial income	76	67	13
Net other income	17	50	–66
Total operating income	**3,646**	**4,689**	**–22**
Staff costs	–1,229	–1,427	–14
Other expenses	–1,160	–1,132	2
Depreciation of assets	–116	–101	15
Total operating expenses	**–2,505**	**–2,660**	**–6**
Profit before credit losses etc	**1,141**	**2,029**	**–44**
Gains less losses on assets	29		
Net credit losses	–28	–18	56
Operating profit	**1,142**	**2,011**	**–43**
Cost/Income ratio	0.69	0.57	
Business equity, SEK bn	5.5	6.6	
Return on equity, %	14.9	21.9	
Number of full time equivalents, average	1,016	1,133	

Operating profit negatively affected by lower performance fees

Operating profit gained momentum during the year as the economic sentiment and market capitalisation improved. The division's operating income dropped by 22 per cent. This was mainly due to a 2 per cent reduction of average assets under management and lower performance and transaction fees which decreased to SEK 383m from last year's record figure of SEK 654m. Brokerage income was strong, while the low interest rate levels continued to negatively affect net interest income, at SEK 598m (892). Income was also negatively affected by SEK 185m, as SEB decided to compensate customers negatively affected by the usage of so called Swing Prices. The method aims to protect long-term investors from costs generated by large in- and outflows in funds and is commonly used in certain European countries. The mutual fund holders in the Swedish funds were not properly informed about this pricing model. SEB has thus decided to compensate clients who were negatively affected. SEB has not benefited from the model as it has strictly meant a reallocation between investors and is no longer applied.

Operating expenses dropped by 6 per cent. The main reason for this was lower provisions for variable salaries. Underlying expenses has increased by 3 per cent. However, adjusting the underlying expenses for foreign exchange effects shows a 2 per cent drop in costs. The division has closed its operations in Poland during the year and met the target for the Swedish cost efficiency programme. Operating profit decreased by 43 per cent, to SEK 1,142m.

Increased asset values and good net sales

Net sales were substantial considering the market turbulence, and amounted to SEK 41bn (33). This together with higher asset values contributed to increasing assets under management by approximately 12 per cent, to SEK 1,275bn (1,142).

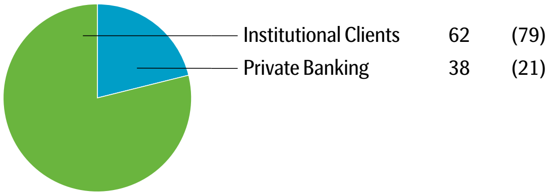
SEB is the second largest mutual fund manager in Sweden. Net sales on the Swedish mutual fund market improved strongly during 2009 and amounted to SEK 125bn (–17.5). SEB continued to capture volumes on the Swedish mutual fund market, almost doubling net sales from last year to SEK 12bn, despite large outflows from short-term fixed income funds, in line with SEB's customer recommendation. SEB had the largest net inflows in equity funds and long-term fixed income funds.

Strong net sales and customer acquisition within Private Banking

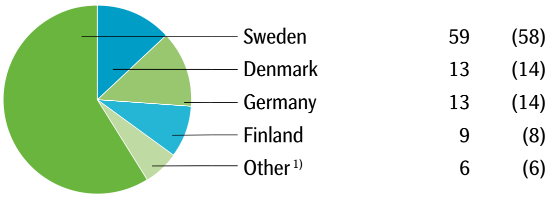
Private Banking's investment programmes, aimed at creating more stable returns on investments, were successful. These, along with continued high sales activity and close co-operation with the Retail Banking division, helped generate net sales of SEK 17bn (19) despite challenging market conditions.

Assets under management rose by as much as 29 per cent and profit improved. The Equity Sales initiatives – Nordic Select, Nordic Absolute Return and Nordic Ideas – launched during the year also proved successful. Client acquisition remained strong and over the last three years the number of clients has increased by 17 per cent. Private Banking was awarded "Best Private Banking service overall" for Sweden and Latvia by Euromoney.

Operating profit by business area
Per cent of total (SEK 1,142m)

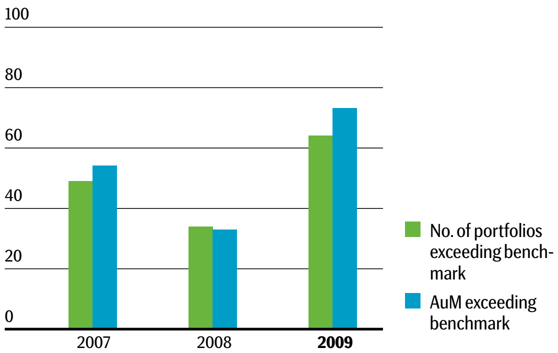


Assets under management per country
Per cent of the division's assets under management (SEK 1,275bn)

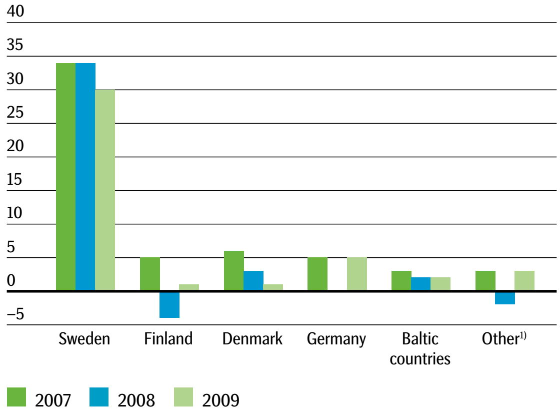


1) Norway, Luxembourg, the Baltic countries and other minor markets

Performance vs. benchmark
Per cent

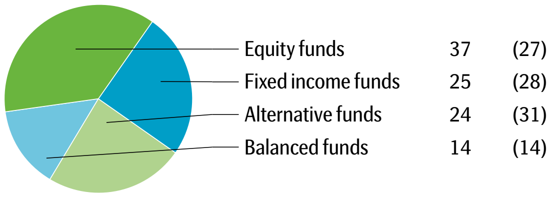


Total net sales per year and country
Total amount (SEK 41bn in 2009)



1) Luxembourg and other minor markets.

Mutual funds per product type
Per cent of total (SEK 528 bn)



Strong net sales and improved investment performance of Institutional Clients

Performance fees, albeit lower than last year, have been generated from a larger number of funds and mandates. Transaction fees from the German open real estate funds resumed after the funds were closed at the beginning of the year to protect investors. Net sales increased by 78 per cent to SEK 31bn (17). Third party distribution grew both in Sweden and globally. Gradually increasing asset values improved the result of Institutional Clients during the last quarter and should continue in 2010.

Investment performance improved strongly in 2009. 64 per cent (34) of the portfolios and 73 per cent (33) of assets under management were ahead of their respective benchmarks.

Several successful product launches

Private Banking's investment programmes and the Equity Sales initiatives have already been mentioned above. A family of Strategy funds and the Listed Private Equity fund are further examples of successful product launches during 2009.

SEB prepared to meet future challenges

Market conditions improved in 2009. The strengthened market position, compared with 2008, of both Private Banking and Institutional Clients will provide SEB with a solid base. The division plans to further improve its product range, strengthen its sales efforts towards large institutions and develop customer solutions together with its clients.

During 2010, the division will continue to focus on operational excellence and performance management.

Life

The Life division is responsible for all of SEB's life insurance operations and is one of the leading Nordic life insurance groups. It consists of the business areas:

- SEB Trygg Liv (Sweden)
- SEB Pension (Denmark)
- SEB Life & Pension International.

The operations comprise insurance products, mainly unit-linked, within the area of investments and social security for private individuals and companies. The division has 1.8 million customers and is active in Sweden, Denmark, Finland, Ireland, Luxembourg, Estonia, Latvia, Lithuania and Ukraine.

SEB's traditional life insurance operations in Sweden are mainly conducted through the mutually operated insurance company Gamla Livförsäkringsaktiebolaget SEB Trygg Liv. It is therefore not consolidated with SEB Trygg Liv's result and SEB Trygg Liv does not have control of the entity. Gamla Liv is closed for new business.

	2009	2008
Percentage of SEB's total income	10	8
Percentage of SEB's operating profit	13	7
Percentage of SEB's staff	6	6

Profit and loss account

SEK m	2009	2008	Change per cent
Net interest income	–18	–36	–50
Net life insurance income	4,443	3,296	35
Total operating income	**4,425**	**3,260**	**36**
Staff costs	–1,107	–1,105	0
Other expenses	–536	–523	2
Depreciation of assets	–667	–569	17
Total operating expenses	**–2,310**	**–2,197**	**5**
Operating profit	**2,115**	**1,063**	**99**
Change in surplus values, net	900	989	–9
Business result	**3,015**	**2,052**	**47**
Change in assumptions	–709	–139	
Financial effects of short-term market fluctuations	2,019	–3,826	
Total result	**4,325**	**–1,913**	
Cost/Income ratio	0.52	0.67	
Business equity, SEK bn	6.8	7.5	
Return on equity, %			
based on operating profit	27.4	12.5	
based on business result	39.0	24.1	
Number of full time equivalents, average	1,191	1,233	

Best result ever – profit growth in all areas

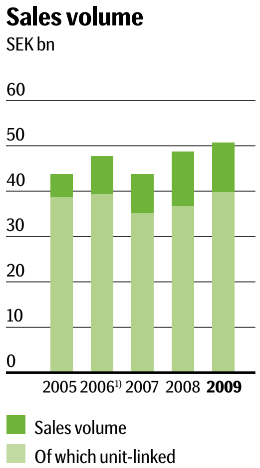
The Life division's operating profit doubled compared with 2008. Excluding the effect of recovered provisions for traditional portfolio guarantees, profit increased by 29 per cent. All business areas showed significant profit improvements compared with the previous year.

Unit-linked income continued to improve as a result of positive market trends since April and increased risk appetite among policyholders, switching from fixed income related funds to equity related alternatives. The total fund value at year-end was 36 per cent higher than a year ago. The result for sickness insurance and care products was higher than last year. Return on the investment portfolio for own account in the Danish business was higher than last year due to falling interest rates. Also investment return on client funds in the traditional business improved to a satisfactory level.

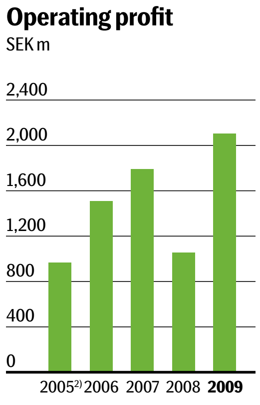
Provisions made in prior years to cover potential future guarantees in the minor traditional life portfolios within the unit-linked company in Sweden were to a large extent recovered, at SEK 286m (–353m). The remaining SEK 105m of provisions from prior years are recoverable, if future investment returns are adequate to meet guaranteed bonus rate levels over time.

Operating expenses, excluding depreciations, were stable compared with last year, but decreased if adjusted for the negative impact of the weak Swedish currency. Depreciation of deferred acquisition costs increased and will continue to do so but should be compared to the increase in unit-linked income.

Unit-linked insurance remains the major product group, representing 80 per cent (75) of total sales. The share of corporate pension decreased to 61 per cent (69) because of high volumes of endowment policies in Sweden. An increase of corporate pension was noted during the second half of the year.



1) Including the Baltics from 2006



2) Including the Baltics from 2005

Volumes

	2009	2008
Sales volume (weighted), SEK m		
Traditional life and sickness/health insurance	10,267	12,185
Unit-linked insurance	40,399	36,638
Total	**50,666**	**48,823**
Premium income, SEK m		
Traditional life and sickness/health insurance	9,102	8,789
Unit-linked insurance	21,503	20,139
Total	**30,605**	**28,928**
Assets under management (net assets), SEK bn		
Traditional life and sickness/health insurance	245.3	239.3
Unit-linked insurance	156.4	115.1
Total	**401.7**	**354.4**

Higher sales and premium income

Total sales weighted volume increased by 4 per cent and the share of regular premium contracts was 80 per cent (82). In Sweden, sales increased by 10 per cent, while the volume in Denmark decreased by 5 per cent. Sales of Portfolio Bond from SEB Life, Ireland were up by 9 per cent compared to last year's record volume. Sales in the Baltic countries were down 29 per cent and the total volume was modest, albeit improving towards year-end.

Total premium income increased by 6 per cent, to SEK 30.6bn (28.9). The total value of unit-linked funds was SEK 156bn compared with 115bn in 2008. Total assets under management (net assets) increased by 13 per cent to SEK 402bn.

SEB Trygg Liv, Sweden

Operating profit of SEB Trygg Liv Sweden, including central functions, increased by SEK 883m to SEK 1,393m. The earlier mentioned recoveries in guarantee commitments contributed positively. Otherwise operating profit was up due to higher unit-linked income and improvement within sickness and health insurance.

SEB Pension, Denmark

Operating profit of SEB Pension Denmark increased by SEK 90m to SEK 574m. Currency translation effects contributed positively. In local currency total income rose by 6 per cent and expenses by 4 per cent.

SEB Life & Pension International

Operating profit of SEB Life & Pension International, with subsidiaries in Ireland, Estonia, Latvia, Lithuania and Ukraine, rose by SEK 79m to SEK 148m. Income increased mainly due to improved performance in the investment portfolios.

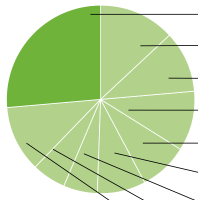
Investments to meet future challenges

The Life division applies a multidistribution strategy, which means that its sales activities are carried out through in-house insurance advisers, insurance brokers and SEB's branch offices, among other channels. Additional investments in sales will be made during 2010. The Danish operations will continue to develop administrative electronic solutions to occupational pension management. In Sweden, the number of in-house insurance advisers will be increased, co-operation with SEB's branch offices will be further developed and new co-operation agreements with associated insurance brokers will be made.

A new target date fund will be launched for a large part of the Swedish occupational pension market (ITP).

Unit-linked insurance in Sweden, new business

2009, Per cent



	2009	(2008)
SEB Trygg Liv	26.6	(24.4)
Skandia	12.9	(14.1)
Länsförsäkringar	10.5	(10.8)
Folksam	10.3	(8.1)
Swedbank	8.5	(9.8)
Nordea	8.4	(8.6)
SHB	5.8	(4.4)
Moderna	5.7	(9.2)
Other	11.3	(10.6)

Source: The Swedish Insurance Federation statistics.

Sales margin

SEK m	2009	2008
Sales volume weighted (regular + single/10)	4,026	3,858
Present value of new sales	1,492	1,598
Sales expenses	–916	–879
Profit from new business	**576**	**719**
Sales margin	**14.3%**	**18.6%**

Gamla Livförsäkringsaktiebolaget SEB Trygg Liv

Traditional life insurance in Sweden

	2009	2008
Assets under management, net assets, SEK m	152,128	140,922
Result for the period, SEK m	27,470	–53,301
Premium income, SEK m	1,939	1,884
Collective consolidation ratio [1] retrospective reserve, %	102	89
Bonus rate, average, %	0.2	5.1
Solvency ratio [2], %	174	148
Capital base, SEK m	64,767	45,556
Required solvency margin, SEK m	3,676	4,002
Solvency quota [3]	17.6	11.4
Total return, %	15.1	–15.7
Share of equities/equity exposure, %	38	31
Share of fixed income, %	43	48
Share of hedgefunds, %	6	7
Share of real estate, %	13	14

1) The collective consolidation ratio shows the company's assets in relation to its commitments to policyholders. The commitments include both guaranteed and non-guaranteed values.

2) The company's net assets (including equity and subordinated debts) in relation to the guaranteed commitments in the form of technical provisions.

3) Quota capital base / required solvency margin.

Baltic

The Baltic division serves 2.2 million private customers and 156,000 small and medium-sized customers in Estonia, Latvia and Lithuania. Customers have access to SEB's complete range of financial services through the branch office network, telephone and e-banking services.

- Estonia, with a network of 53 branch offices servicing 538,000 customers, of whom 244,000 use Internet services and 46,000 are small and medium-sized companies.
- Latvia, with a network of 59 branch offices servicing 900,000 customers, of whom 570,000 use Internet services and 65,000 are small and medium-sized companies.
- Lithuania, with a network of 57 branch offices servicing 911,000 customers, of whom 890,000 use Internet services and 45,000 are small and medium-sized companies.

	2009	2008
Percentage of SEB's total income	9	11
Percentage of SEB's operating profit	negative	6
Percentage of SEB's staff	16	16

Profit and loss account

SEK m	2009	2008	Change per cent
Net interest income	2,679	3,555	–25
Net fee and commission income	934	948	–1
Net financial income	126	150	–16
Net other income	55	130	–58
Total operating income	**3,794**	**4,783**	**–21**
Staff costs	–730	–743	–2
Other expenses	–1,452	–1,228	18
Depreciation of assets	–2 389	–86	
Total operating expenses	**–4,571**	**–2,057**	**122**
Profit before credit losses etc	**–777**	**2,726**	
Gains less losses on assets	–17		
Net credit losses	–9,569	–1,709	
Operating profit	**–10,363**	**1,017**	
Cost/Income ratio	1.20	0.43	
Business equity, SEK bn	11.8	10.8	
Return on equity, %	negative	8.0	
Number of full time equivalents, average	3,275	3,404	

Resilient income generation

The Baltic division's operating profit for 2009 year was SEK –10,363m (1,017), including goodwill impairment of SEK 2,281m.

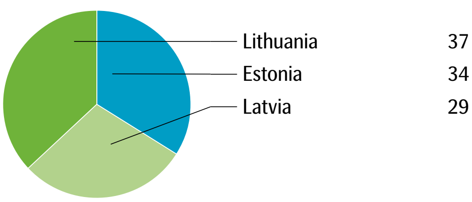
Despite the severe macroeconomic development, operating income only decreased by 21 per cent. Income was negatively affected by lower business volumes and deposit margin pressure following unprecedented low short-term rates. Most of the net interest income reduction arose in Lithuania. It also dropped in Latvia, whereas the effect on the Estonian business was only limited. The overall volume of loans and deposits was also reduced during the year. Total income started to show signs of stabilisation towards the end of the year.

Operating expenses, excluding goodwill impairment charges, rose by 11 per cent, principally due to foreign exchange effects. Baltic division's staff costs decreased slightly, whereas other expenses increased due to costs for restructuring and work-out support and the SEK 120m compensation to bond investors in Estonia. Additionally, other expenses included costs for rationalisation of SEB's branch network in the Baltic countries. During the year, 31 branches were closed in the three Baltic countries. An overall staff reduction of 260 employees was made within the Baltic division, decreasing the average number of employees to 3,093 compared with 3,353 twelve months ago.

A full goodwill impairment for SEB's operations in the Baltic countries was made during the second quarter of 2009. Of the Group's total goodwill impairment write-off for the Baltic countries, at SEK 2,298m, the Baltic division accounted for SEK 2,281m.

Share of income by business area

2009, per cent of total (SEK 3,794 m)



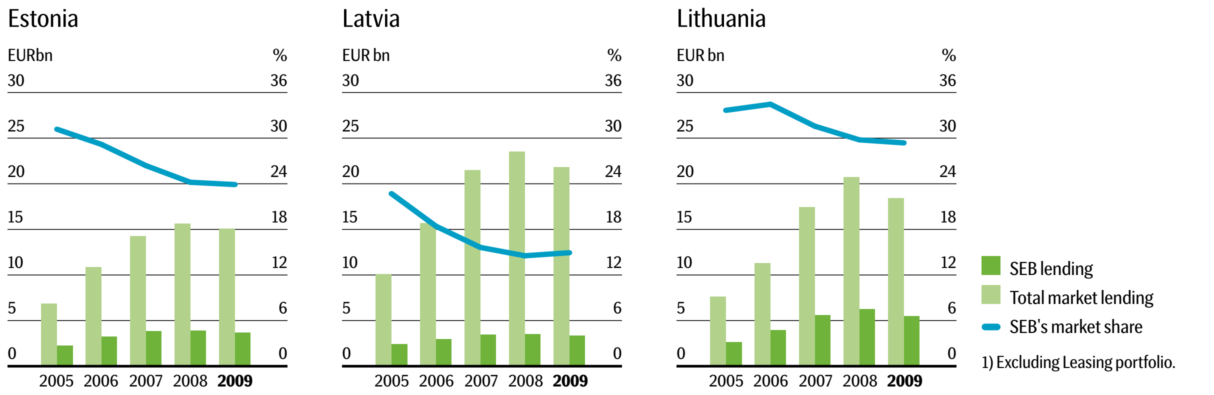
Increased credit losses – but stabilised past due volumes

The severe macroeconomic situation in the Baltic countries led to significantly higher provisioning for credit losses, at SEK 9,569m (1,709). The accelerated deterioration during the first half of 2009 caused a sharp increase of past due loans during the first two quarters. Substantial collective provisions were made in order to build up reserves for credit losses that had not yet been individually identified which resulted in high reserve coverage ratios.

During the second half of 2009, specific provisions exceeded collective provisions, due to increased identification of individually impaired loans. Since June, however, the inflow of new past due loans has stopped, indicating a stabilisation.

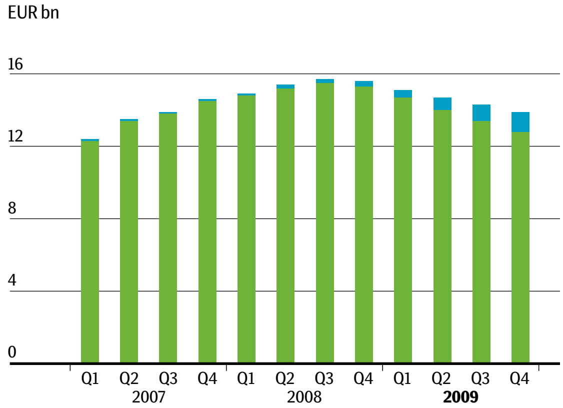
As per year-end 2009, the total of impaired loans (individually assessed) and portfolio assessed loans more than 60 days past-due (including restructured household volumes) – retail loans – amounted to SEK 19bn, or 12.6 per cent of total lending. Total reserves amounted to SEK 11.4bn by year-end 2009.

SEB's Baltic lending relative to the market[1)]



1) Excluding Leasing portfolio.

Baltic lending to the public[1)]



SEK bn[2)]	115	124	127	137	138	144	151	167	161	152	137	131

Lending to the public   Credit loss reserves

1) Excluding reclassified bonds.
2) Lending to the public, equivalent in SEK bn.

Intensified restructuring and work-out activities

SEB's Special Credits Management Unit, a restructuring and work-out team established in 2007, now includes over 200 staff located in or focused on the Baltic region.

All exposures exceeding the equivalent of 1 million euro and have a risk class of above 7 in SEB's risk classification system (1: best – 16: default) have been thoroughly reviewed, action plans developed and appropriate involvement of the work-out team implemented. All action plans are followed up in the so called High Risk Committees. Any client for whom there is a near-term likelihood of a downward migration to risk class 13 or worse is considered a High Risk client. This wide definition, which goes beyond the traditional watch-list, facilitates early and prompt addressing of potential future credit losses through early warning signals. The purpose is to ensure that Group special credit and workout standards are applied.

Exposures below the equivalent of 1 million euro are managed and monitored by local work-out teams.

Adapting the restructuring and work-out strategy to the customer profile and collateral type has been an important issue. SEB is seeking to conduct its restructuring and work-out activities in close co-operation with its customers in order to find common ground for coping with a difficult situation.

Transportation and equipment leasing portfolios

The leasing portfolio in the Baltic region, containing leased cars, trucks as well as other transportation vehicles and equipment, amounted to SEK 15bn at year-end 2009. An important characteristic of the leasing product is that SEB is the owner of the financed assets. This facilitates both repossession of assets and offers an expedient process to minimise losses both for the Group and the customers.

As of February 2010, some 25 per cent of the leasing stock had been identified as High Risk. To manage the work-out process, SEB has established sales channels which facilitate the sale of repossessed vehicles domestically as well as outside the Baltic region. Since June 2009, sales of vehicles exceeded repossessions, reducing the stock slightly each month. In February 2010, the average discount to original book value was 35–40 per cent.

Commercial real estate and land plots

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 the economic recovery has started and demand for such assets returns.

SEB has an operational Real estate Holding Company (RHC) for each of Estonia, Latvia and Lithuania. These companies have started to acquire assets with the total volume of purchased assets currently at approximately SEK 50m. Assets will continue to accumulate in the RHCs but in a protracted process since the foreclosure and auction process takes time. In the meantime, the Bank has worked extensively on developing a valuation methodology, which defines the long-term value of each property as there is a lack of relevant historical prices due to the poor liquidity of the real estate market during the market downturn. The model provides a conservative and long-term view on the value of each real estate type dependent on future cash-flow capacity, location and quality. In the absence of any major future macroeconomic shock, these valuations are expected to be stable and provide a floor for recovery rates. These valuations form the basis of almost all of the foreclosures in which the RHCs will participate in order to acquire these assets.

The valuation model has been applied to the vast majority of the real estate exposures and as a consequence, specific reserves for these assets have been decided.

As of 31 December 2009, SEB's Baltic lending to real estate companies in the Baltic countries amounted to SEK 27bn, of which 30 per cent was impaired. Some 60 per cent of this portfolio is regarded as High Risk.

After applying the valuation model, the potential volume that the RHCs may eventually accumulate in their property portfolios is currently estimated at SEK 6–7bn.

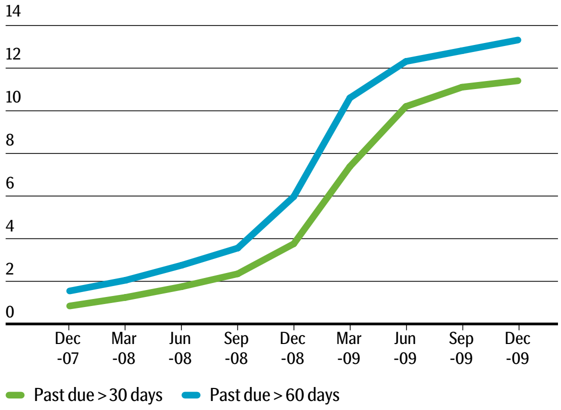
Residential mortgages

SEB remains convinced that most homeowners should be able to remain owners of their property. After individual reviews, taking the overall situation of the homeowner into account, SEB has introduced solutions, which may include a grace period for amortisations and capitalisation of part of interest under special circumstances. SEB also plays an active role in the discussions with public authorities on constructive crisis resolutions.

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

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

Per cent



Outlook for 2010

The Baltic countries were among the hardest hit by the global crisis and recessession and the overall situation for the region remains challenging. However, the macroeconomic situation started to stabilise in the second half of 2009 and a more broad-based recovery in the region is currently expected to occur in the second half of 2010.

The SEB management is confident that provisions for credit losses in 2010 will be considerably lower than in 2009. This outlook is based on:

- the limited inflow of new past due loans and new High Risk clients,
- the experience from work-out of leasing assets and the in-depth analysis and revaluation of real estate assets,
- the continued strong level of reserves, and
- signs of a stabilizing economic environment.

This conclusion is further underpinned by bottom-up review of all high risk clients by our Special Credits Management team, a top-down risk management model assessment and an expert judgment overlay taking into account senior management experiences from the Swedish banking crisis.

Based on the current view, the coverage ratio for the Baltic region peaked in the third quarter of 2009 as did the quarterly Baltic loan loss provisions. Additional quarterly provisions will gradually decrease, indicating that provisions will fall in 2010.

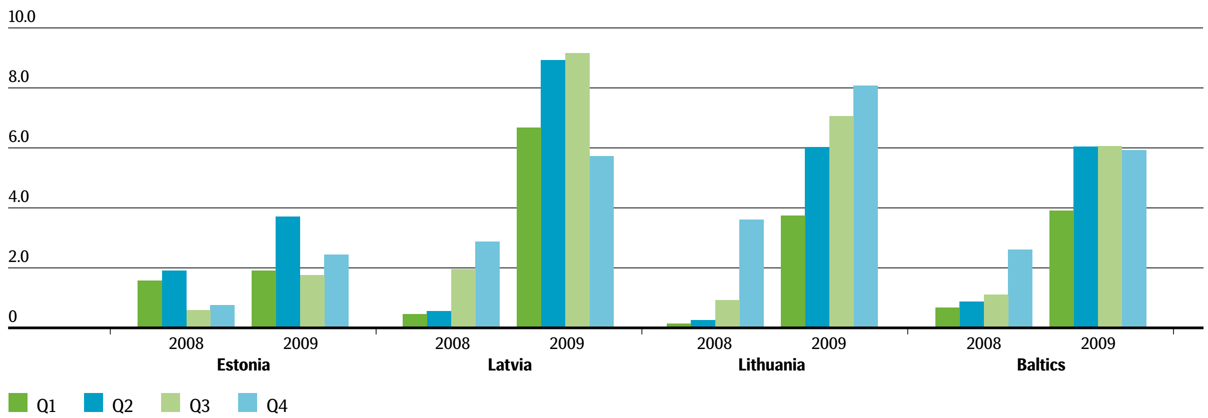
A number of event risks on top of what is already a challenging situation for these economies may still disturb the slow progress and recovery and trigger changes in SEB's outlook for its Baltic operations.

Increased long-term focus

Following the gradual decrease of new past due volumes and the outcome of the restructuring and workout activities, management focus during the year has gradually shifted towards the long-term development of the already strong customer franchise. Last November, private customers ranked SEB as the No. 1 bank in the Baltic region in 2009.

Level of net credit losses in the Baltic countries

Net credit losses (isolated quarters) in per cent of lending



Loan portfolio by industry and geography, the Baltic countries [1)]

31 December 2009

	2009				2008			
SEK m	Estonia	Latvia	Lithuania	Total	Estonia	Latvia	Lithuania	Total
Banks	**163**	**655**	**241**	**1,059**	**182**	**1,058**	**525**	**1,765**
Finance and insurance	53	628	42	**723**	6	1,154	75	**1,235**
Wholesale and retail	2,556	3,787	7,377	**13,720**	3,578	4,999	10,819	**19,396**
Transportation	1,171	1,867	3,929	**6,967**	1,761	2,416	5,899	**10,076**
Shipping	807	229	287	**1,323**	939	281	365	**1,585**
Business and household services	2,283	1,651	2,245	**6,179**	2,630	2,044	2,967	**7,641**
Construction	718	1,382	1,220	**3,320**	971	1,928	2,041	**4,940**
Manufacturing	3,070	2,204	6,931	**12,205**	4,118	2,758	9,468	**16,344**
Agriculture, forestry and fishing	1,053	1,924	619	**3,596**	1,429	2,534	811	**4,774**
Mining and quarrying	89	106	102	**297**	41	118	115	**274**
Electricity, gas and water supply	1,758	901	1,236	**3,895**	1,699	1,122	1,423	**4,244**
Other	355	362	565	**1,282**	474	395	724	**1,593**
Corporates	**13,913**	**15,041**	**24,553**	**53,507**	**17,646**	**19,749**	**34,707**	**72,102**
Commercial	7,033	4,388	13,131	**24,552**	8,049	4,556	14,650	**27,255**
Multi-family		2,421	25	**2,446**		2,416	23	**2,439**
Property Management	**7,033**	**6,809**	**13,156**	**26,998**	**8,049**	**6,972**	**14,673**	**29,694**
Public Administration	**1,873**	**258**	**1,936**	**4,067**	**1,970**	**302**	**2,789**	**5,061**
Household mortgage	16,803	10,443	22,383	**49,629**	18,274	11,649	23,869	**53,792**
Other	2,938	2,901	2,014	**7,853**	3,489	3,481	2,893	**9,863**
Households	**19,741**	**13,344**	**24,397**	**57,482**	**21,763**	**15,130**	**26,762**	**63,655**
Loan portfolio	**42,723**	**36,107**	**64,283**	**143,113**	**49,610**	**43,211**	**79,456**	**172,277**

1) The geographical distribution is based on where the loan is booked, excluding repos, debt instruments and reserves.

Non-performing loans and reserves, the Baltic countries [1)]

31 December 2009

	2009				2008			
SEK m	Estonia	Latvia	Lithuania	Total	Estonia	Latvia	Lithuania	Total
Individually assessed loans								
Impaired loans, gross	1,924	3,552	8,456	**13,932**	710	586	2,310	**3,606**
Specific reserves	1,054	1,608	3,970	**6,632**	380	173	791	**1,344**
Collective reserves	485	855	1,127	**2,467**	257	210	338	**805**
Off balance sheet reserves			50	**50**				
Specific reserve ratio	55%	45%	47%	**48%**	54%	30%	34%	**37%**
Total reserve ratio	80%	69%	60%	**65%**	90%	65%	49%	**60%**
Portfolio assessed loans								
Loans past due > 60 days, gross	1,040	2,182	1,218	**4,440**	580	760	556	**1,896**
Restructured loans	19	123	170	**312**				
Collective reserves	465	1,222	580	**2,267**	288	393	274	**955**
Reserve ratio	44%	53%	42%	**48%**	50%	52%	49%	**50%**
Non-performing loans	**2,983**	**5,856**	**9,845**	**18,684**	**1,290**	**1,346**	**2,866**	**5,502**
Total reserves	**2,004**	**3,685**	**5,727**	**11,416**	**925**	**776**	**1,403**	**3,104**
Coverage ratio	67%	63%	58%	**61%**	72%	58%	49%	**56%**

1) The geographical distribution is based on where the loan is booked, excluding repos, debt instruments and reserves.

Risk and Capital Management

During 2009, SEB took considerable measures to safeguard its financial stability. The Group substantially strengthened its capital position, restored liquidity levels and pro-actively addressed asset quality. This, in combination with a well-established risk governance structure, sophisticated risk systems and prudent management practices makes the Group well prepared for potential setbacks to the fragile economic recovery underway and for continued investments.

Risk management review 2009

Going into 2009, the outlook for the world economy looked grim. Most countries experienced sharp drops in economic activity as a result of the 2008 financial turmoil and the negative sentiment led to new stock market lows and renewed uncertainty in debt markets.

While significant challenges remained at year-end 2009, the situation had clearly eased from the beginning of the year. Starting in the second quarter 2009, debt and equity markets enjoyed a sharp six-month recovery, contributing to narrower credit spreads and easier access to liquidity and funding for the banking system.

Coordinated actions by governments and central banks around the world has been a key factor in sustaining financial markets, which in turn has led to a rebound in economic activity. As export-driven and highly internationalized economies, the Nordic countries were rapidly affected by the global recessionary developments. For example, the Swedish GDP dropped by 4.7 per cent during 2009. The Baltic economies fared even worse, with GDP drops between 14 and 18 per cent.

Confidence in the Swedish banking system, although fundamentally in better shape than many other systems, was also put to the test. Stabilisation measures by the Swedish Government and the Swedish Riksbank in combination with rights issues and other capital measures by Sweden's largest banks contributed to restoring confidence.

Significantly improved capital situation

Throughout the year, SEB strengthened its capital resources both in terms of quality and size. These actions reflected the prevailing market situation and the Group's desire to have solid buffers in anticipation of a possibly prolonged economic downturn. The Group also wanted to be well prepared for the new regulatory regime under development by the Basel Committee and other international policymakers. A strong capital position increases SEB's strategic flexibility and ability to support its customers.

By the end of April 2009, SEB completed its SEK 15.1 billion rights issue. Other measures to strengthen the capital position included the withheld dividend, the buy-back of subordinated debt, the buy-back of innovative capital contribution securities and the issue of non-innovative capital contribution securities. SEB also launched a capital efficiency project.

The capital measures served to increase the core Tier I ratio, improve the quality of hybrid capital in Tier I and reduce the capital ratio volatility through improved currency matching of risk-weighted assets and the capital base. By year-end, and without applying transitional floors, the Group reported a Tier I capital ratio of 13.9 per cent (10.1) and a core Tier I capital ratio of 11.7 per cent (8.6).

Stronger funding and liquidity position

The measures taken to safeguard SEB's financial stability were manifested in an extraordinary extension of the Group's funding maturities at the expense of net interest income. At year-end, the matched funding of net cash inflows and outflows was around 18 months (7).

The funding markets, which had been severely disrupted since September 2008, gradually returned to a more normal situation during 2009. Credit spreads also narrowed considerably. With a loan-to-deposit ratio of 141 per cent (146) at year-end, excluding reclassified bond portfolios, SEB displayed a sound structural funding situation. This was further supported by the raising of SEK 130bn (166) of long-term funding during the year. The pool of assets eligible for pledging with central banks was close to SEK 300bn.

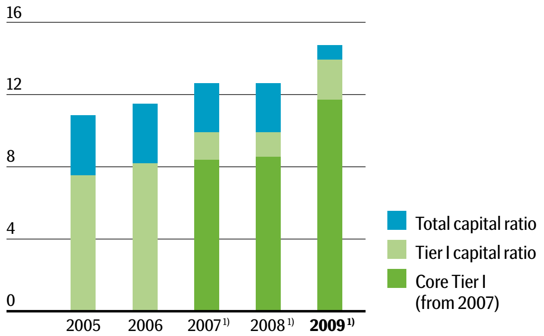
As an additional safety measure, SEB participated in – but never utilised – the Swedish Funding Guarantee Programme between May and October.

Stress testing for extreme scenarios

The high level of uncertainty regarding the economic outlook and the state of financial markets made stress testing for all possibilities, including extreme scenarios, the new norm. SEB,

Capital adequacy

Per cent



Capital base SEK bn	76.3	84.9	93.0	104.7	107.3

1) Basel II (without transitional rules) applied from 2007.

like most financial institutions, supervisors, central banks and the financial community at large, developed a comprehensive process. An internally developed extreme scenario formed the basis for determining the size of SEB's rights issue, in order to safeguard SEB's independence as a privately owned institution. At year-end 2009, SEB could sustain the 3-year worst-case scenarios of the Swedish Central Bank and Financial Supervisory Authority with a Tier 1 capital ratio of around 10 per cent.

Regulatory overhaul

Many industry-wide changes requiring higher capitalisation, increased transparency, more stringent and comparable liquidity calculations and countercyclical capital buffers can be expected as a result of the regulatory overhaul now being performed by policymakers and supervisory authorities around the world.

The Basel committee proposals for new capital and liquidity regulations – 'Basel III' - were presented in December, 2009. The proposals will undergo consultation until mid-april 2010 and amendments can be expected before the final implementation in 2012. Transition rules can also be expected, so that banks can adapt to the new framework without undue restraint on credit supply. The aim of the proposals is to improve capital consistency and quality as well as to avoid excess leverage and over-reliance on short term funding.

The proposed new capital definition is in line with SEB's conservative approach to the size and quality of the capital base. Given the Group's current capital standing, it is not unlikely that SEB's relative position will be strengthened by the new rules. The possible introduction of a leverage ratio would have limited effect on the Group, due to its strong capital base and limited off-balance sheet and credit derivatives exposures in the European context. The effects of the new liquidity and funding standards, including a 30-day liquidity coverage ratio requirement and a longer-term structural liquidity ratio, will be dependent on the final definition of metrics used to monitor the liquidity risk profiles of banking organisations.

Asset quality in focus

Due to the severe macroeconomic situation in the Baltic countries, Baltic asset quality deteriorated rapidly during 2009; the Baltic countries accounted for 77 per cent of the Group's net credit losses during the year. In the Nordic countries and Germany, which account for more than 85 per cent of the exposure in the credit portfolio, asset quality remained robust, with low provisions for credit losses.

Proactive and qualified credit risk management was a key business priority throughout 2009, with numerous actions carried out within client relationship management and Group Credits. Special Credits Management, the Group's work-out team, included over 350 staff at year-end 2009, of which more than 200 were focused on the Baltic region.

All exposures in the Baltics exceeding the equivalent of 1 million euro and with a risk class of above 7 in SEB's risk classification system (1: best – 16: default) have been thoroughly reviewed, action plans developed and appropriate involvement of the work-out team implemented. All action plans are followed up in so called High Risk Committees. Exposures below the equivalent of 1 million euro are managed and monitored by local work-out teams.

Managing risk in bond portfolios

For investment, treasury and client trading purposes, SEB maintains portfolios of debt instruments. Actions to reduce the size of these portfolios continued during the year. Specifically, the bond investment portfolio was reduced to SEK 90bn from SEK 133bn a year earlier. The portfolio contains no impaired assets and a very limited number of 'level 3' assets. SEB's view is that under prevailing credit market conditions, material defaults on the bond investment portfolio holdings are unlikely. At year-end, the estimated average duration was approximately four years and the annual amortisation amount was about SEK 8bn.

More sophisticated model for market risk measurement

Continued high volatility in credit spreads put emphasis on the need to finalise an ongoing review of a second generation of SEB's internal Value-at-Risk (VaR) model. During the third quarter SEB implemented an enhanced, historically simulated, VaR model which considers an enlarged number of risk factors. The new VaR model (ARMS) is currently applied within the Group for management purposes and an application to replace the parametric model (EVAR) will be filed during 2010, when all requirements for backtesting for regulatory reporting have been completed. On a comparable basis, the overall risk level decreased somewhat between 2008 and 2009, with reduced exposure to both interest rate and equity price risk.

Risk management objectives

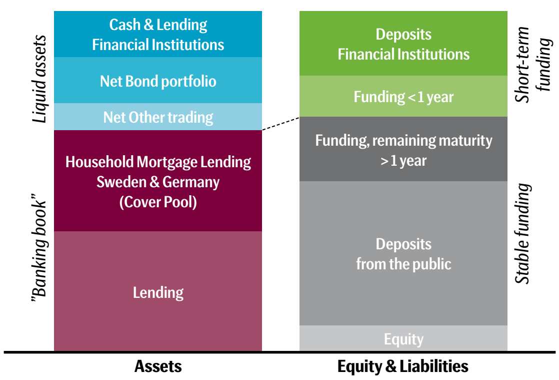
Managing risk is a core activity in a bank and therefore fundamental to long-term profitability and stability. Risk is closely related to business activities and business development and, therefore, to customer needs. Of the various risks that SEB assumes in providing its customers with financial solutions and products, credit risk is the most significant.

SEB's profitability is directly dependent upon its ability to evaluate, manage and price the risks encountered, while maintaining an adequate capitalization to meet unforeseen events. To secure the Group's financial stability, risk and capital-related issues are identified, monitored and managed at an early stage. They also form an integral part of the long-term strategic planning and operational business planning processes performed throughout the Group.

The Group applies a modern framework for its risk management, having long since established independent risk control, credit analysis and credit approval functions. Board supervision, an explicit decision-making structure, a high level of risk awareness among staff, common definitions and principles, controlled risk-taking within established limits and a high degree of transparency in external disclosures are the cornerstones of SEB's risk and capital management.

Balance sheet structure

31 Dec. 2009



Credit risk

Credit risk is the risk of loss due to the failure of an obligor to fulfil its obligations towards SEB. The definition also encompasses counterparty risk in the trading operations, country risk and settlement risk. Credit risk refers to all claims and potential claims on companies, banks, public institutions and private individuals.

The following section focuses on SEB's credit portfolio, in particular exposures to corporates and households in the Nordic countries, Germany and the Baltics. For information on SEB's holdings of debt instruments, see box on page 47.

Asset quality in 2009

2009 proved to be an extraordinary year for SEB in terms of asset quality, principally due to the rapid deterioration of asset quality in the Group's Baltic operations.

Outside the Baltic countries, asset quality remained stable during the year. SEB's large corporate, property management and household portfolios in the Nordic countries and Germany continued to show resilience to the global economic downturn.

Individually assessed impaired loans almost doubled to SEK 21,324m (11,411); the reserve ratio remained at a high level, 70 per cent (69). The increase was fully explained by the development in the Baltic countries, where gross impaired loans rose to 1.4 per cent (0.7) and the reserve ratio increased to 65 per cent (60).

Loans assessed on a portfolio basis (homogeneous groups) which were more than 60 days past due amounted to SEK 6,937m (3,164), of which the Baltic region accounted for SEK 4,440m (SEK 1,896). An additional SEK 312m of loans in the Baltic countries have been restructured, mainly household mortgage loans with partially capitalized interest payments. The reserve ratio for portfolio assessed loans, including restructured loans, was 45 per cent (44) for the Group; for the Baltic region the reserve ratio was 48 per cent (50). Restructured portfolio assessed loans are still deemed to be uncertain with respect to the repayment capacity of the borrowers.

As per year end 2009, total non-performing loans amounted to SEK 28,573m (14,575) or 1.9 per cent (0.9) of lending. The non-performing loan level in the Nordic operations remained low, at 0.4 per cent (0.3), and even decreased during the year in Germany, to 1.3 per cent (1.5) of lending. Total reserves amounted to SEK 18,555m (9,470) and the coverage ratio for non-performing loans was unchanged at 65 per cent (65). In the Baltics, the total volume of non-performing loans more than tripled during the year following the severe economic downturn, to SEK 18,684m (5,499). The level of non-performing loans was 12.6 per cent (3.0). Total reserves amounted to SEK 11,416m (3,104) and the coverage ratio for non-performing loans was 61 per cent (56).

Credit portfolio review

The Group's total credit exposure decreased to SEK 2,237bn (2,364) in 2009, of which the credit portfolio amounted to SEK 1,816bn (1,934) and holdings in debt instruments for investments, treasury and client trading purposes amounted to SEK 361bn (399). Repos amounted to SEK 60bn (31).

SEB's credit portfolio is dominated by high quality assets based on long term client relationships and geographic presence. A large part of the decrease in the credit portfolio was due to an overall reduction in corporate and property management credit demand, partly offset by higher Swedish household lending. Currency translation effects also had an impact on the decrease in the credit portfolio.

Sweden, the Nordic countries and Germany together account for 85 per cent of credit portfolio exposures. The Baltic credit portfolio decreased to SEK 162bn (202) during the year

Credit exposure

SEK bn	2009	2008	2007
Lending	**1,308**	1,362	1,112
Contingent liabilities	**406**	442	365
Derivative instruments	**102**	130	75
Credit portfolio	**1,816**	**1,934**	**1,552**
Repos	**60**	**31**	**122**
Debt instruments	**361**	**399**	**463**
Total credit exposure	**2,237**	**2,364**	**2,137**

Total credit exposure comprises the Group's credit portfolio (loans, leasing agreements, contingent liabilities and counterparty risks arising from derivatives contracts), repos and debt instruments. Exposures are presented before reserves. Derivatives and repos are reported after netting agreements but before collateral arrangements and includes add-ons for potential future exposure. Debt instruments comprise all interest-bearing instruments held for investment, treasury and client trading purposes, and includes instruments reclassified as Loans & Receivables. Debt instruments in the insurance division are excluded.

Credit portfolio development

SEK bn	2009	2008	2007
Banks	**309.7**	**285.6**	**247.6**
Corporates	**655.8**	**781.7**	**570.6**
Nordic countries	435.3	502.3	373.8
Germany	103.4	120.3	71.9
Baltic countries	67.8	94.5	82.8
Other	49.3	64.5	42.1
Property Management	**246.8**	**262.3**	**212.1**
Nordic countries	134.3	126.1	99.8
Germany	83.8	103.7	86.6
Baltic countries	27.9	31.7	25.7
Other	0.8	0.8	0.1
Public Administration	**94.7**	**118.9**	**87.6**
Households	**509.4**	**485.7**	**434.0**
Nordic countries	347.0	309.0	288.4
Germany	97.4	104.4	87.2
Baltic countries	59.8	67.5	54.6
Other	5.2	4.8	3.8
Total credit portfolio	**1,816.4**	**1,934.2**	**1,551.8**

The geographical distribution is based on SEB's operations.

Non-performing loans - definition

Non-performing loans is the sum of:
Impaired loans, individually assessed, and
Portfolio assessed loans, either past due >60 days or restructured [1)]

1) Restructured loans are typically household loans where the interest payments have been partly capitalised. These loans are still deemed to be uncertain with respect to the repayment capacity of the borrower.

and thereby accounted for 9 per cent (10) of the total portfolio. Further information on the Baltics is found on pp 36–39.

The corporate credit portfolio remains the largest portfolio segment, accounting for 36 per cent (40) of total credit portfolio. The Nordic corporate credit portfolio decreased by SEK 67bn, to SEK 435bn (502). The reduction in volumes reflects the decreased demand for working capital and investment financing and the fact that large investment grade corporate clients gradually were able to return to the capital markets during 2009. The corporate credit portfolio is dominated by large Nordic and German corporate exposures and is well distributed on a wide range of industry sectors, the largest being manufacturing and business and household services.

The property management portfolio decreased by 6 per cent, to SEK 247bn (262). The portfolio consists to 60 per cent of commercial real estate and to 40 per cent of multi-family exposure. While the Nordic property management portfolio grew by 6 per cent, mainly attributed to multi-family financing, property lending in Germany decreased to SEK 84bn (104).

Asset quality in the corporate and property management credit portfolios outside the Baltic region remained stable, with low provisions for credit losses.

Household exposure increased by 5 per cent to SEK 509bn (486), primarily due to an increase in Swedish mortgage lending. The Swedish mortgage portfolio continued to show robust asset quality, with past due volumes remaining at low, stable levels throughout 2009. Actual credit losses remained very small. As per December 2009, approximately 95 per cent of the Swedish mortgage portfolio had a Loan-to-Value below 75 per cent. The credit profile in the German household mortgage portfolio was stable with moderate losses, albeit somewhat higher than in 2008.

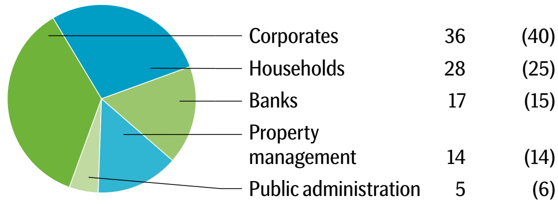
Under market conditions with exceptionally low interest rates, SEB took certain policy actions in order to ensure continued high quality in the Swedish mortgage lending portfolio. Retail mortgage customers are inter alia required to be able to meet significantly higher interest rate levels.

Credit policy

The overriding principle of SEB's credit granting is that all lending shall be based on credit analysis and be proportionate to the customer's repayment capacity. The customer shall be known to the

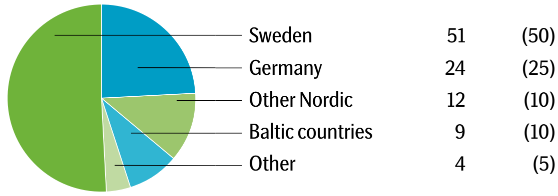
Credit portfolio – by industry

Share of total, per cent (SEK 1,816bn)



Credit portfolio – geographical distribution[1]

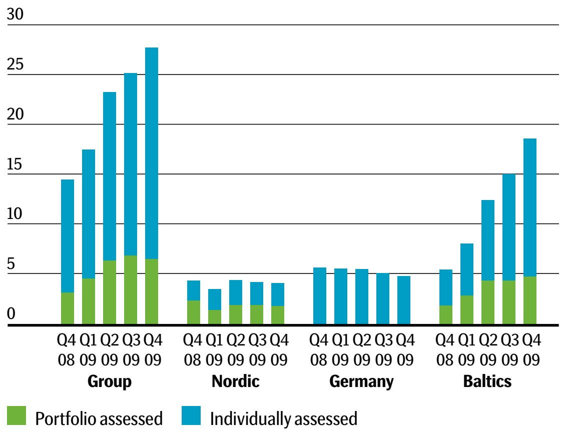
Share of total, per cent (SEK 1,816bn)



1) Geographical distribution based on SEB operations

Non-performing loans

SEK bn



Credit portfolio by industry and geography, 2009[1]

SEK bn	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Banks	175.9	25.3	10.4	1.9	0.2	0.7	0.4	79.0	15.9	**309.7**
Corporates	321.6	19.4	58.5	35.8	18.2	17.8	31.8	103.4	49.3	**655.8**
Property Management	113.7	0.1	12.6	7.9	7.2	7.0	13.7	83.8	0.8	**246.8**
Public Administration	23.3	0.1	0.3	0.7	2.2	0.3	2.4	65.4	0.1	**94.7**
Households	306.3	6.0	33.3	1.5	20.5	14.0	25.3	97.4	5.2	**509.5**
Credit portfolio	**940.7**	**50.9**	**115.0**	**47.8**	**48.3**	**39.9**	**73.7**	**429.0**	**71.3**	**1,816.4**

Credit portfolio by industry and geography, 2008[1]

SEK bn	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Banks	174.9	10.9	10.7	2.6	0.2	1.1	0.6	68.1	16.5	**285.6**
Corporates	391.4	18.6	58.7	33.6	22.8	25.3	46.4	120.3	64.6	**781.7**
Property Management	105.0	0.3	11.9	8.9	8.5	7.1	16.1	103.7	0.8	**262.3**
Public Administration	31.7	0.1	0.3	0.4	2.4	0.4	3.2	78.9	1.5	**118.9**
Households	269.1	6.9	31.2	1.7	22.7	15.9	28.9	104.4	4.8	**485.7**
Credit portfolio	**972.1**	**36.8**	**112.9**	**47.2**	**56.6**	**49.8**	**95.2**	**475.4**	**88.3**	**1,934.2**

1) Geography distribution is based on SEB's operations. Amounts before provisions for credit losses.

Group in order for both the customer's character and repayment capacity to be evaluated. Depending on the creditworthiness of the customer, as well as the nature and complexity of the transaction, collateral and netting agreements can be used to a varying extent.

Credit approval process

Credit approval is based on an evaluation of the customer's creditworthiness and the type of credit proposed. Relevant factors include the current and future projected financial position of the customer, as well as the protection provided by covenants, collateral etc. The credit approval gives consideration both to the transaction proposed and to the customer's total engagement.

The approval process differs depending on the type of customer (for instance, retail, corporate or institution), the assessed risk level of the customer, and the size and type of transaction. Independent and professional credit analysis is particularly important for large corporate customers. The Merchant Banking division has a credit analysis function that provides independent analysis and credit opinions to the divisions' business units as well as to the credit committees.

Credit risk classification – non-retail customers

SEB has an internal risk classification system for banks, corporate customers and public entities reflecting the risk of default on payment obligations. There are 16 risk classes, with 1 representing the lowest default risk and 16 representing the highest default risk. Risk classes 1–7 are considered "investment grade", while 13–16 are classified as "watch list".

Risk classes are used as important parameters in the credit policies and the credit approval process (including decisions on credit limits), and for monitoring, managing and reporting the credit portfolio. The risk classification system is based on credit analysis, covering business and financial risk. Financial ratios and peer group comparison are used in the risk assessment.

The weighted average risk class for the Group, excluding households and banks, was 7.16 at year-end (6.81). The Group's corporate and property management portfolios in the Nordic countries and Germany displayed limited negative migration while the deterioration was more pronounced in the Baltic portfolios.

Credit risk classification – retail customers

For private individuals and small enterprises, SEB applies a credit scoring system to assess risk. The scoring system is primarily based on payment behaviour.

Limits and monitoring

In order to manage the credit risk on each individual customer or customer group, a total limit is established, reflecting the maximum exposure that SEB currently is willing to accept on the customer. Limits are also established for total exposure on countries in

Credit portfolio by risk class 2009 1)

Total, excluding households									Households 4)	
Category	Risk class	PD Range 2)	Moody's / S&P 3)	Banks	Corporates	Property Management	Public Admin.	Total	PD Range	Households
Investment grade	1–4	0–0.07%	Aaa to A3/AAA to A-	93.1%	21.4%	12.4%	95.2%	**42.2%**	0–0.2%	**27.1%**
	5–7	0.07–0.26%	Baa / BBB	4.0%	26.3%	22.1%	2.6%	**18.5%**	0.2–0.4%	**38.7%**
									0.4–0.6%	**2.6%**
Ongoing business	8–10	0.26–1.61%	Ba / BB	1.7%	38.9%	50.0%	2.0%	**29.4%**	0.6–1.0%	**17.2%**
	11–12	1.61–6.93%	B1, B2 / B+, B	0.7%	7.9%	6.2%	0.2%	**5.3%**	1.0–5.0%	**8.3%**
									5.0–10.0%	**2.8%**
Watch list	13–16	6.93–100%	B3 to C / B- to D	0.5%	5.5%	9.3%	0.0%	**4.6%**	10.0–30.0%	**1.4%**
Total				**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	30.0–50.0%	**0.4%**
									50.0–100.0%	**1.5%**
									Total	**100.0%**

Credit portfolio by risk class 2008 1)

Total, excluding households									Households 5)	
Category	Risk class	PD Range 2)	Moody's / S&P 3)	Banks	Corporates	Property Management	Public Admin.	Total	PD Range	Households
Investment grade	1–4	0–0.08%	Aaa to A3/AAA to A-	92.5%	20.3%	13.5%	94.8%	**39.4%**	0–0.2%	**43.8%**
	5–7	0.08–0.32%	Baa / BBB	4.4%	26.0%	20.4%	4.3%	**18.9%**	0.2–0.4%	**30.7%**
									0.4–0.6%	**7.5%**
Ongoing business	8–10	0.32–1.61%	Ba / BB	2.1%	45.3%	55.8%	0.8%	**35.0%**	0.6–1.0%	**6.0%**
	11–12	1.61–5.16%	B1,B2 / B+,B	0.5%	5.6%	5.2%	0.1%	**4.1%**	1.0–5.0%	**8.9%**
									5.0–10.0%	**1.6%**
Watch list	13–16	5.16–100%	B3 to C / B- to D	0.4%	2.9%	5.1%	0.0%	**2.5%**	10.0–30.0%	**0.9%**
Total				**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	30.0–50.0%	**0.3%**
									50.0–100.0%	**0.3%**
									Total	**100.0%**

1) Compilation is based on credit portfolio including repos.

2) PD ranges for risk classes has shifted slightly from 2008 to 2009 after a data-driven revision of the PD master scale.

3) Approximate relation to rating scales.

4) Household exposure based on IRB reported exposure in the event of a defaul (EAD).

5) Swedish household mortgages.

certain risk classes and for settlement risks in trading operations.

All total limits and risk classes are subject to a minimum of one review annually by a credit approval authority (a credit committee or bank officer as authorized by the SEB Group Credit Instruction, adopted by the Board). High-risk exposures (risk classes 13–16) are subject to more frequent reviews. The objective is to identify, at an early stage, credit exposures with an increased risk for loss, and to work together with the customer towards a constructive solution that enables SEB to reduce or avoid credit losses.

In its home markets, SEB maintains permanent national work-out teams engaged in problem exposures. As a response to the deteriorating economic climate, SEB decided in late 2007 that the national work-out organisations should be supplemented by a new Group function, Special Credits Management, with global responsibility for managing problem exposures. This function, which due to asset quality developments primarily deals with the Group's Baltic exposures, includes over 200 staff in, or focused on, the Baltic region.

Counterparty risk in derivatives contracts

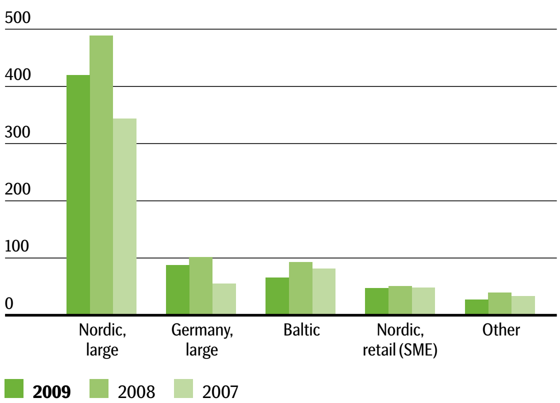
SEB enters into derivatives contracts primarily to offer clients products for management of their financial exposures, and then manages the resulting positions by entering offsetting contracts in the market place. The Group also uses derivatives for the purpose of protecting the cash-flows and fair value of financial assets and liabilities on its own book from interest rate fluctuations.

Positive market values in derivatives contracts imply a credit exposure on the counterparty; to reflect also future uncertainty in market conditions, a credit risk equivalent is calculated. Depending upon the type of contract, currency and remaining maturity, an add-on to the current market price is calculated. The credit risk equivalent values form a credit exposure on the counterparty.

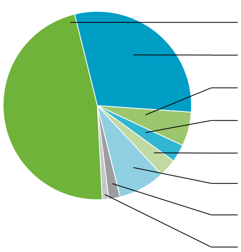
In order to reduce exposure on single derivatives counterparties close-out netting agreements are used for a large majority of the counterparties. This allows SEB to net positive and negative replacement values in the event of default of the counterparty. For financial counterparties, collateral management arrangements are comprehensively applied in order to further mitigate the counterparty risk.

On a net basis, the total credit risk equivalent at year-end was SEK 102.5 bn (130.4). Further details on exposures by industry are found in Note 17 and 44.

Corporate credit portfolio
SEK bn



Property management credit portfolio[1)]
Per cent (SEK 247 bn)



Sweden	47	(41)
Germany	30	(35)
Lithuania	6	(6)
Estonia	3	(3)
Latvia	3	(3)
Other Nordic	8	(8)
Other European	2	(3)
Other	1	(1)

1) Geographical distribution by obligor's country of domicile

Credit risk mitigation

SEB reduces risk in its credit portfolio through the use of a number of credit risk mitigation techniques. The particular technique chosen is selected based on its suitability for the product and customer in question, its legal enforceability and on the organisation's experience and capacity to manage and control the particular technique. The most important credit risk mitigation techniques are pledges, guarantees and netting agreements. The most common types of pledges are real estate mortgages and financial securities. In the trading operations, daily margin arrangements are frequently used to mitigate the net open counterparty exposure at any point in time.

For large corporate customers, credit risk is commonly mitigated through the use of covenants.

Concentration risk

The credit portfolio is analysed for risk concentrations in geographical and industry sectors and on large single names, both in respect of direct exposures and indirect exposure through issuers of collateral, guarantees and credit derivatives.

SEB's 20 largest exposures, expressed as a percentage in relation to capital base, improved in 2009 compared to 2008, explained by both a reduced customer exposure and a strengthening of the capital base.

Credit portfolio monitoring

The aggregate credit portfolio is reviewed regularly and assessed based on industry, geography, risk class, product type, size and other parameters. In addition, specific analyses and stress tests are made when market developments require a more careful examination of certain sectors.

Impairment of loans

Impairment provisions are made for probable credit losses on individual loans or groups of loans.

Individually assessed loans

A specific provision is made for a probable credit loss on an identified impaired loan. A loan is classified as impaired if there is objective evidence that one or several loss events have occurred and if the effects of those events impact estimated future cash flows (for instance, if the customer is in significant financial difficulty or defaults on the payment of interest or principal). Loans are not classified as impaired if the value of the collateral covers principal and interest with a satisfactory margin.

All customers with loans that the Bank considers impaired belong to risk class 16. The impairment affects all the customer's loans in the Bank, unless specific circumstances call for a different evaluation. One example would be specifically pledged collateral covering both principal and interest.

A collective provision is made on loans that have not been deemed to be impaired on an individual basis, that is, impairments which are Incurred But Not yet Identified (IBNI). Loans with similar credit risk characteristics are grouped together and assessed collectively for impairment. SEB's internal risk classification system constitutes one of the components forming the basis for determining the total amount of the collective provisions. Collective provisions represent an interim step, pending the identification of specific losses on individual loans.

Portfolio assessed loans

Valuations of loans to private individuals and small enterprises are to a large extent made on a portfolio basis. Different models are applied to different loan categories, where the individual loans are of limited value and share similar risk characteristics. Examples of such categories are credit card exposures, retail mortgage loans and consumer loans. The collective provisions for portfolio appraised loans are based on historical lending loss experience and on an assessment of probable lending losses for the group of loans in question.

Impaired loans by industry and geography 2009 [1)]

SEK m	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Individually assessed loans										
Banks	339	2						1		**342**
Corporates	737	162	166	5	796	1,308	3,640	1,173	851	**8,838**
Property Management	161				1,119	2,112	4,746	2,980	9	**11,127**
Public Administration										
Households	12	11	133		9	132	70	649		**1,016**
Total	**1,249**	**175**	**299**	**5**	**1,924**	**3,552**	**8,456**	**4,803**	**860**	**21,323**

Impaired loans by industry and geography 2008 [1)]

SEK m	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Individually assessed loans										
Banks	320							6		**326**
Corporates	682	172	183	5	388	435	1,441	1,452	246	**5,004**
Property Management	110				305	151	855	3,462	10	**4,893**
Public Administration										
Households	54	2	48		17		14	787	266	**1,188**
Total	**1,166**	**174**	**231**	**5**	**710**	**586**	**2,310**	**5,707**	**522**	**11,411**

Portfolio assessed loans 2009 [1)]

SEK m	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Loans past due > 60 days										
Corporates	30	12	91	4	210	268	268		177	**1,060**
Households	848	343	398	96	830	1,914	950	135	363	**5,877**
Total	**878**	**355**	**489**	**100**	**1,040**	**2,182**	**1,218**	**135**	**540**	**6,937**
Restructured loans										
Corporates										
Households					19	123	170			312
Total					**19**	**123**	**170**			**312**

Portfolio assessed loans 2008 [1)]

SEK m	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Loans past due > 60 days										
Corporates	29	16	61	5	105	136	80			**432**
Households	489	243	370	55	475	624	476			**2,732**
Total	**518**	**259**	**431**	**60**	**580**	**760**	**556**			**3,164**
Restructured loans [2)]										

1) The geographical distribution is based on where the loan is booked
2) No loans were restructured before the end of 2008

See note 17 to the Financial statements for additional credit risk information

Debt instruments

For investment, treasury and client trading purposes, SEB maintains portfolios of interest-bearing instruments, principally fixed income securities in the form of government bonds, covered bonds, bonds issued by financial institutions and structured credits. At year-end, the total credit exposure related to debt instruments amounted to SEK 361 bn (399). The net positions, excluding short positions and investments in certificates of deposit issued by the Swedish Riksbank, decreased to SEK 262bn (355).

Net positions in debt instruments

SEK bn	2009	2008	2007
Debt securities, total assets	361	399	463
Debt securities, short positions	–47	–39	–111
Certificates of deposit	–50		
Total Return Swaps	–2	–5	–22
Total net positions	**262**	**355**	**330**

Distribution by geography

2009, SEK 361bn 1)

	Central & local governments	Corporates	Covered bonds	Structured credits	Financials	Total
Sweden	19.6%	0.8%	6.8%	0.0%	0.7%	**28.0%**
Germany	8.1%	0.1%	5.2%	0.0%	11.1%	**24.5%**
Denmark	0.6%	0.1%	3.9%	0.0%	4.3%	**8.9%**
US	0.0%	0.0%	0.0%	4.0%	3.3%	**7.3%**
Spain	0.5%	0.0%	4.4%	0.8%	1.0%	**6.7%**
Norway	1.2%	0.9%	0.5%	0.0%	1.4%	**4.0%**
UK	0.0%	0.0%	0.3%	2.2%	1.2%	**3.8%**
Australia/NZ	0.0%	0.0%	0.0%	0.1%	0.4%	**0.5%**
Finland	0.0%	0.1%	0.2%	0.0%	0.1%	**0.5%**
Europe, Other	4.0%	0.0%	1.0%	5.2%	5.2%	**15.4%**
Other	0.2%	0.0%	0.0%	0.0%	0.1%	**0.4%**
Total	**34.4%**	**2.1%**	**22.4%**	**12.3%**	**28.8%**	**100.0%**

Distribution by rating

2009, SEK 361bn 1)

	Central & local governments	Corporates	Covered bonds	Structured credits	Financials	Total
AAA	27.4%	0.0%	18.1%	7.3%	7.6%	**60.3%**
AA/A	3.7%	0.0%	4.0%	3.0%	10.0%	**20.7%**
A	1.4%	0.2%	0.0%	0.7%	9.3%	**11.6%**
BBB	1.8%	0.9%	0.0%	0.2%	0.6%	**3.4%**
BB/B	0.2%	0.1%	0.0%	0.4%	0.1%	**0.7%**
CCC/CC/C	0.0%	0.0%	0.0%	0.8%	0.0%	**0.8%**
Not rated	0.0%	0.9%	0.3%	0.0%	1.3%	**2.5%**
Total	**34.4%**	**2.1%**	**22.4%**	**12.3%**	**28.8%**	**100.0%**

1) Excludes debt instruments in the Life division of SEK 76bn (78).

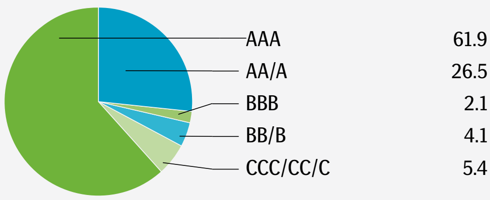
Bond investment portfolio – geographical breakdown

2009, SEK 90 bn

	UK	Spain	Other Europe	US	Australia /NZ	Total volume, SEK bn
Product						
Financials	13.5%	9.2%	37.7%	35.1%	4.5%	**31.6**
Covered Bonds	0%	92%	8%	0%	0%	**11.0**
Structured Credits	17.3%	6.8%	45.2%	29.8%	0.9%	**47.1**

Structured credits – rating composition

2009, per cent (SEK 47bn)



Additional information on debt instruments is found in notes 41 and 42.

Market risk

Market risk is the risk of loss or reduction of future net income following changes in interest rates, foreign exchange rates, equity prices and commodity prices, including price risk in connection with the sale of assets or closing of positions.

A particular distinction is made between trading activity related market risks, i.e. trading book risks, and structural market risks and net interest income risks, i.e. banking book risks.

Market risks in the trading book arise from the Group's customer-driven trading activity, where SEB acts as a market maker for trading in the international foreign exchange, equity and capital markets. The risks reside primarily within Merchant Banking and are managed at the different trading locations within a comprehensive set of risk limits.

Market risks in the Group's banking book arise because of mismatches in currencies, interest rate terms and periods on the balance sheet. Group Treasury has the overall responsibility for managing these risks, which are consolidated centrally through the internal funds transfer pricing system.

Risk mandate

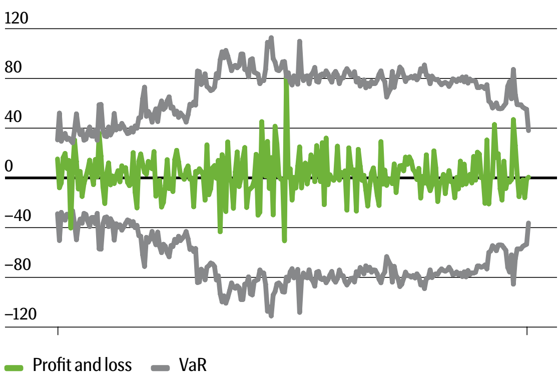
The level of market risk that the Group accepts is defined by the Board. The Group Asset and Liability Committee allocates the market risk mandate set by the Board to each division which, in turn, further allocates the limits obtained among its business units. The use of limits ensures timely reporting and proper management of loss positions and risk exposures.

Market risk control

The Market Risk Control unit is responsible for controlling SEB's market risks. Measurement, monitoring and management reporting is done on a daily basis on a Group, divisional and business unit level. The unit is also charged with ensuring independence in the valuation process of traded positions. The daily control framework relies on statistical models, such as Value-at-Risk, as well as more traditional risk measures such as nominal exposures and sensitivity measures. Key market and liquidity risks are reported to the Asset and Liability Committee and the Risk and Capital Committee of the Board.

Trading book back testing 2009

SEKm, VaR vs profit and loss, 99% confidence interval and 1 day holding period. Graph describes former VaR model (EVAR).



Value at Risk, Trading Book

Enhanced VaR model (ARMS) and Former VaR model (EVAR) [1)]

SEK m	Min	Max	31 Dec 2009	Average 2009	Average 2008
Interest rate risk	81	295	153	156	146
Credit spread risk	60	181	64	102	
Foreign exchange rate risk	17	173	83	65	34
Equity price risk	8	175	32	51	75
Commodities risk	0	14	2	2	
Diversification			–127	–183	–104
Total	**87**	**357**	**207**	**193**	**151**

1) Enhanced VaR model in use since the 3rd quarter, 2009.

Former VaR model (EVAR)

SEK m	Min	Max	31 Dec 2009	Average 2009	Average 2008
Interest rate risk	60	197	96	115	146
Foreign exchange rate risk	10	158	64	46	34
Equity price risk	8	100	14	25	75
Diversification			–81	–60	–104
Total	**61**	**228**	**93**	**126**	**151**

Value at Risk, Banking book

SEK m	Min	Max	31 Dec 2009	Average 2009	Average 2008
Interest rate risk	245	559	245	369	323
Foreign exchange rate risk	62	187	72	127	24
Equity price risk	26	90	33	51	54
Diversification			–114	–166	–83
Total	**236**	**579**	**236**	**381**	**318**

Risk measurement

When assessing market risk exposures it is important to distinguish among measures that seek to estimate losses under normal market conditions and those that focus on extreme market situations. The latter class of tools consists of stress tests and scenario analysis.

The Board has decided upon four major risk measures to quantify and limit the Group's total market risk exposure under normal market conditions: Value-at-Risk; Delta 1 per cent; Single and Aggregated FX. These are further described below. Any risk measure has strengths and weaknesses, which can be mitigated by combining them with each other.

Value-at-Risk (VaR)

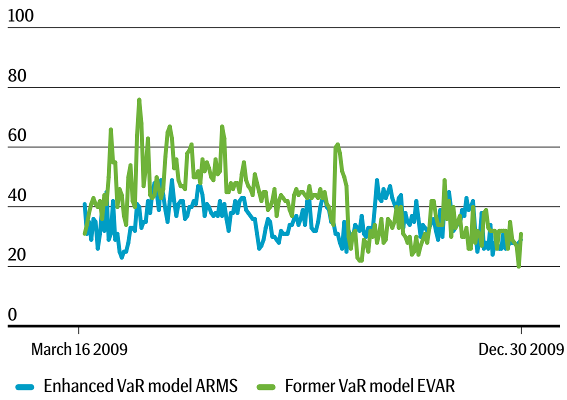
To measure and limit the Group's aggregated market risk, SEB uses a Value-at-Risk (VaR) approach. VaR expresses the maximum potential loss that can arise with a certain degree of probability during a certain period of time. The Group has chosen a probability level of 99 per cent and a ten-day holding period for monitoring and reporting VaR in the trading book and the banking book. In the day-to-day risk management of trading positions, SEB follows up limits with a 1-day time horizon and the VaR estimate is based on one year historical data. Since 2001, SEB holds a supervisory approval to use its internal VaR model for calculating capital requirements for the majority of the general market risks in the Bank's trading book.

Back testing of the VaR model is done on a daily basis, to control and assure its accuracy and to verify that losses have not exceeded the VaR level significantly during more than 1 per cent of the trading days. During 2009, SEB modified its VaR model by introducing a more granular universe of risk factors and implementing a method (Historical Simulation) that provides a more accurate estimate of the 99th percentile.

VaR for the trading book was relatively stable during 2009 and average limit utilisation remained well below 50 per cent. The period of high volatility in the financial markets following the collapse of Lehman Brothers in September 2008 remained in the VaR simulation window during 2009. Banking book VaR showed a similar pattern to trading book VaR. On average, limit utilization remained well below 50 per cent. As the high volatility has remained in the time series, the underlying position size has decreased during 2009 to maintain the same risk utilisation.

Limit utilisation, enhanced vs former VaR model

Per cent



Sensitivity and position measures

As supplemental analytical tools, the Group uses sensitivity and position measures. In particular, SEB measures sensitivity of the positions to yield curve shifts. For portfolios including optionality these measures are combined with stress tests for large price shifts and volatility changes in the underlying price process.

Stress tests and scenario analysis

Scenario analyses and stress tests are performed on a regular basis as a complement to the above described risk measurements. Stress testing is a method that allows discovering potential losses beyond the 99th percentile using further scenarios than those available in the simulation window. SEB stresses the portfolios by applying extreme movements in market factors which have been observed in the past (historical scenarios) as well as extreme movements that could potentially happen in the future (hypothetical scenarios).This type of analysis provides management with a view on the potential impact that large market moves in individual risk factors, as well as broader market scenarios, could have on a portfolio.

Interest rate risk

Interest rate risk is the risk of loss or reduction of future net income following changes in interest rates, including price risk in connection with the sale of assets or closing of positions. To measure and limit interest rate risk SEB uses the VaR method, supplemented with the methods described below.

Delta 1 per cent

The Interest Rate Risk measure of Delta 1 per cent is calculated for all interest rate based products and is defined as the change in market value arising from an adverse one percentage unit parallel shift in all interest rates in each currency.

Net interest income (NII)

The NII risk depends on the overall business profile, especially mismatches between interest-bearing assets and liabilities in terms of volumes and repricing periods. The NII is also exposed to a so called "floor" risk. Asymmetries in product pricings create a margin squeeze in times of low interest rates, making it relevant to analyse both up- and downward changes. SEB monitors NII risk, but it is not assigned a specific limit in terms of market risk exposure. Further information is found in Note 43, which shows repricing periods for SEB's assets and liabilities.

Credit spread risk

Credit spread risk is the risk that the value of an investment will change due to moves in credit spreads. As opposed to credit risk, which is valid for all credit exposures, only assets that are marked-to-market are exposed to credit spread risk.

Foreign exchange risk

Foreign exchange risk arises both through the Bank's foreign exchange trading in international market places and because the Group's activities are carried out in various currencies. While foreign exchange trading positions are measured and managed within the overall VaR framework, the Group measures and manages the structural foreign exchange risk inherent in the structure of the balance sheet and earnings separately. The structural foreign exchange risk related to the Group's subsidiaries in the Baltic countries is managed in such a way as to neutralise the effects of adverse currency movements.

Single and Aggregated FX

As a complement to VaR, foreign exchange risk is also measured by Single and Aggregated FX. Single FX represents the single largest net position, short or long, in non-SEK currencies. Aggregated FX is arrived at by calculating the sum of all short non-SEK positions and the sum of all long non-SEK positions. Aggregated FX is the largest of these two absolute values.

Equity price risk

Equity price risk arises within market making and trading in equities and related instruments. VaR is the most important risk and limit measurement for equity risks. In addition, equity risk measurements defined by the Swedish capital adequacy rules are used both for limits and follow-up.

Commodities risk

From mid-year 2009, SEB started to offer clients the possibility to hedge their commodities risk through SEB. However, as the business area was in an upstart phase, the number of transactions as well as the related exposure was limited.

Liquidity risk

Liquidity risk is the risk that the Group, over a specific time horizon, is unable to refinance its existing assets or is unable to meet the demand for additional liquidity. Liquidity risk also entails the risk that the Group is forced to borrow at unfavourable rates or is forced to sell assets at a loss in order to meet its payment commitments.

SEB maintains sufficient liquidity to meet current payment obligations, while keeping contingency reserves to meet any market disruptions.

2009 liquidity situation

SEB had good access to short-term capital markets throughout the year, while the market for long-term financing eased considerably from the beginning of the second quarter. SEB participated in the Swedish Government's Swedish Funding Guarantee Programme between May and October, but did not issue any securities under the programme.

During the year, SEB's loan-to-deposit ratio improved to 141 per cent (146), excluding reclassified bond portfolios. This sound structural funding situation in a Nordic context was further supported after the equivalent of SEK 130bn of long-term funding was raised during 2009. On 31 December, the matched funding of net cash inflows and outflows was above 18 months (7 months). SEB continued to maintain a large pool of assets eligible for pledging with central banks, amounting to nearly SEK 300bn.

Liquidity risk management and reporting

The purpose of SEB's liquidity management is to ensure that the Group has a controlled liquidity risk situation, with adequate cash or cash-equivalents in all relevant currencies to timely meet its liquidity requirements in all foreseeable circumstances, without incurring substantial additional cost. The management of liquidity risk is governed by limits established by the Board and further allocated by the Asset and Liability Committee (ALCO). Liquidity limits are set for both the Group and specific legal entities as well as for exposures in certain defined currencies.

SEB has adopted a comprehensive framework for the management of short- and long-term liquidity requirements. Liquidity is managed centrally by Group Treasury, supported by local treasury centres in the Group's major markets. Market Risk Control regularly measures and reports limit utilisation as well as stress tests to ALCO and the Risk and Capital Committee of the Board.

The Group reduces liquidity risk through diversification of funding sources in instruments, currencies and by tapping different geographical markets. Deposits from households and corporate customers constitute the most important funding source of the Group.

Liquidity risk measurement

Liquidity risk is measured using a range of customised measurement tools, as no single method comprehensively can quantify this type of risk. The methods applied by SEB include short-term pledging capacity, analysis of future cash flows, scenario analyses and balance sheet key ratios.

Liquidity gaps are identified by calculating cumulative net cash flows arising from the assets, liabilities and off-balance sheet positions of the Group in various time bands over one year. This requires certain assumptions regarding the maturity of some products such as demand deposits and mortgages, and their projected behaviour over time or upon contractual maturity. The quality of the liquidity reserve (see below) is analysed in order to assess its potential to be used as collateral, providing secured funding in stressed conditions.

Beyond one year, a core gap ratio is measured. The ratio measures the extent to which the Group is funding illiquid assets with stable long-term funds. The stable liabilities (including equity) should always be above 70 per cent of illiquid assets; the average level during the year was 106 per cent. As of year-end, the level was 108 per cent.

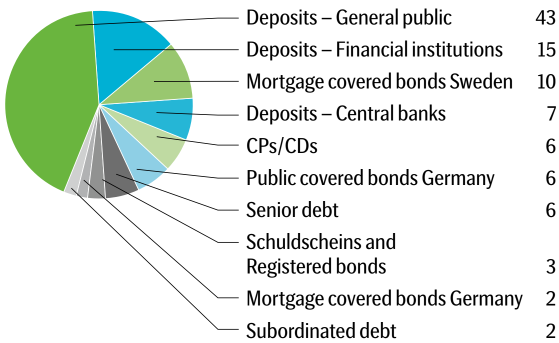
Stress testing is conducted on a regular basis to identify sources of potential liquidity strain and to ensure that current exposures remain within the established liquidity risk tolerance. The tests estimate the liquidity risk in various scenarios, including both Group-specific and general market crises.

Liquidity reserve

The Group's liquidity reserve consists of securities that can be used as collateral for loans or repurchase transactions and thus transformed into liquid funds with immediate effect. The size of the liquidity reserve indicates to what extent the Group has a stable volume of unencumbered, high-quality liquid assets held as insurance against a range of liquidity stress scenarios. The liquidity reserve, which should always be equivalent to at least 5 per cent of total assets, was 10 per cent of total assets at year-end 2009.

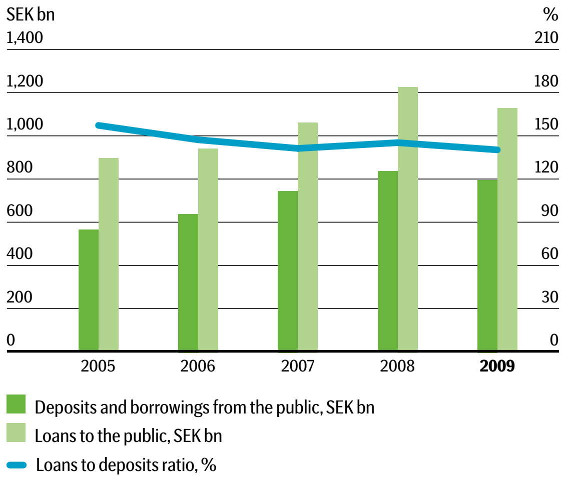
Funding structure, SEB Group, December 2009

Per cent (SEK 1,630bn)



Over collateral within cover pools SEK 80bn, which may be used for further covered bond issuance or pledged for central bank borrowing.

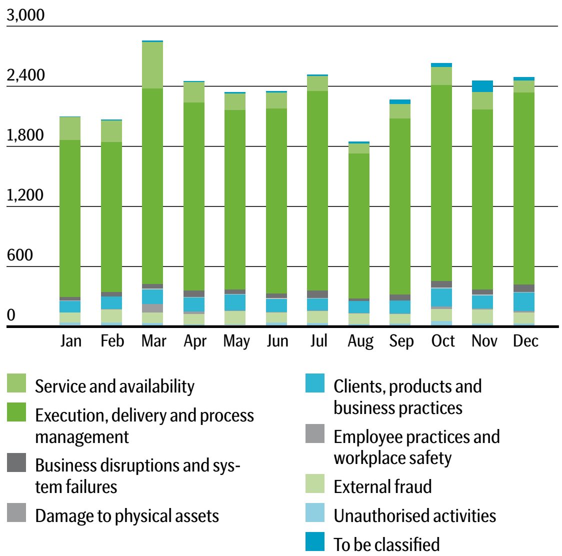
Loans to deposits ratio



Potentially new liquidity regulation regime

Throughout 2009, global regulators have been working on new liquidity measures aimed at both structural and stress liquidity. On the international level, the agenda for change has been set by the G20 Group of Finance Ministers and Central Bank Governors. Detailed regulation, based inter alia on proposals set forth by the Basel Committee, is set to be implemented over the coming years, subsequent to impact assessment and discussions between regulators and the industry. SEB is taking an active part in this work, both through direct contacts and via national and international banking industry organisations. SEB is positioned to meet new liquidity regulations, having long since worked along the lines of the new proposals. Both the management and measurement of liquidity will be impacted by the proposals.

Operational risk – incidents registered and analysed
Number



Operational risk

Operational risk is the risk of loss due to internal factors (breakdown of IT systems, mistakes, fraud, non-compliance with external and internal rules, other deficiencies in internal controls) or external events (e.g. natural disasters, external crime, etc)

Advanced Measurement Approach

SEB has received supervisory approval to use the Advanced Measurement Approach (AMA) to calculate regulatory capital for operational risk. The approval is an acknowledgement of the Group's experience and expertise in operational risk management, including incident reporting, operational loss reporting, capital modeling and quality assessment of processes.

SEB's AMA model is also used to calculate economic capital for operational risk, however on a higher confidence level and with the inclusion of loss events relevant for life insurance operations.

Capital for operational risk is quantified with a Loss Distribution approach, using internal data and external statistics about actual operational losses in the global financial sector. The calculation of expected losses takes into account the Group's internal loss statistics, while unexpected losses are calculated based on statistics of external losses over a certain threshold.

The calculated capital requirement for operational risk is not affected by any insurance agreement to reduce or transfer the impact of operational risk losses.

Moderate operational losses

Total operational loss in 2009 was above SEB's annual historical average, principally related to the decision to reimburse SEB clients for losses incurred due to information compliance failure by SEB in certain cases. Benchmarking against members of the Operational Riskdata Exchange Association (ORX) show that SEB's historical loss levels are somewhat below the ORX average.

Note that operational losses are not booked as such in the accounts, but are booked as credit losses or cost items.

All staff required to register incidents

SEB uses an IT-based infrastructure for management of operational risk, security and compliance. All staff shall register risk-related events and management at all levels shall identify, assess, monitor and mitigate risk.

Having elaborated systems and processes for registering and monitoring operational risk incidents SEB can manage this risk in a satisfactory manner. Therefore, the increase in the number of reported incidents since the introduction of the IT-based infrastructure is a positive development. It reflects an improved capacity in capturing incidents, and facilitates the management of the operational risk exposures.

New product approval process

The roll-out of the Group's new framework for examining and approving the introduction of new and/or amended products, systems and processes – New Product Approval Process – continued during 2009. At year-end, the process was implemented within all divisions and at all sites, excluding the Life division, where roll-out will be completed during 2010.

Insurance risk

Life insurance surplus value risk is the risk that estimated surplus values cannot be realised, due to slower than expected asset growth, cancellations or unfavourable price/cost development. The surplus value risk level is closely associated with the aggregate savings volume.

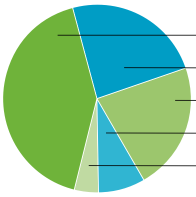
Furthermore, life insurance operations are exposed to the risk of shifts in mortality rates. Lower rates lead to more long-term pension commitments, whereas higher rates result in higher death claims.

Guaranteed-benefit life insurance portfolios give rise to a mismatch risk between assets and insurance liabilities. Life insurance liability risk is the risk that growth in assets held to secure future payments is insufficient to meet policyholder claims. The insurance liability risk is negligible in unit-linked portfolios, while it is more pronounced in SEB Pension's operations.

Business profile

Within life operations SEB's sales focus is on unit-linked, which represented 80 (75) per cent of total sales in 2009. This means that the market risk stays with the policyholder. There are, however, certain elements of risk in economical terms for the Bank as regards future surplus values elimination. The value contribution from life insurance operations is analysed in terms of surplus values (see Note 51) – i.e. the present value of future net income on previously written insurance.

Components of life insurance surplus value risk in SEB
Per cent, 2009 (2008)



Asset risk	42	(38)
Expense risk	24	(30)
Persistency risk	22	(21)
Mortality risk	8	(7)
Morbidity risk	4	(4)

Insurance risk mitigation

Surplus values and financial risks that are regularly reported by the division form the basis of risk measurement. Life insurance risks are controlled with the help of actuarial analysis and stress tests of the existing insurance portfolio. Mortality and morbidity risks are reinsured against large individual claims or against several claims caused by the same event. The risks in guaranteed-benefit products are mitigated through standard market-risk techniques and monitored through scenario analyses.

The Group also operates, on a run-off basis, a reinsurance non-life business with a limited risk to SEB's shareholders.

Provisions made in prior years to cover potential future guarantees in the traditional life portfolios in Sweden were to a large extent recovered, SEK 286m (-353). The remaining provisions from prior years are recoverable, if future investment returns are adequate to meet guaranteed bonus rate levels over time.

The Swedish FSA uses a "Traffic Light System", focusing on the mismatch risk between assets and liabilities. A similar system has been in use in Denmark for several years, thus affecting SEB's Danish operations. These systems constitute supervisory tools to identify those insurance companies for which a closer analysis of assets versus liabilities is needed. None of SEB's Swedish and Danish companies has been identified for such analysis, according to the supervisory defined measures for life insurance companies.

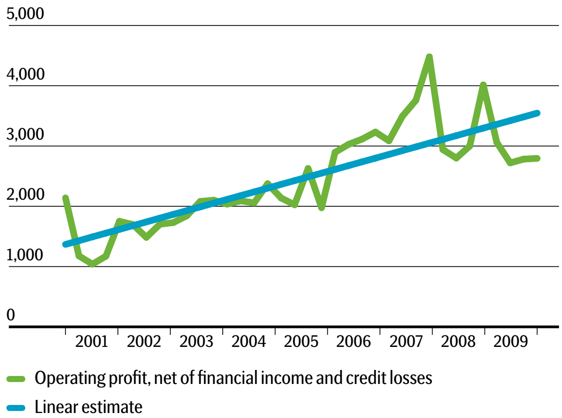
Business and strategic risk

Business risk is the risk of lower revenues due to reduced volumes, price pressure or competition. SEB measures business risk as the variability in income and cost that is not directly attributable to other types of risk. Quantification of business risk is based on an assessment of the volatility in operating profit, net of credit losses and trading result.

Business risk also includes reputational risk, the risk that revenues drop due to external rumours about either SEB or the industry in general. A specific case of business risk is venture risk, related to undertakings such as acquisitions, large IT projects etc.

Strategic risk is close in nature to business risk, but focuses on large-scale structural risk factors. SEB defines strategic risk as the risk of loss due to adverse business decisions, improper implementation of decisions, or lack of responsiveness to political, regulatory and industry changes.

Illustration of business risk
SEB quarterly operating profit 2001–2009, SEK m



Capital management

The Group's capital management seeks to balance shareholders' demand for return with the financial stability requirements of regulators, debt investors, business counterparties and other market participants, including rating agencies.

The Group's capitalisation shall be risk-based and built on an assessment of all risks incurred in the Group's business. It shall be forward-looking and aligned with short- and long-term business plans as well as with expected macroeconomic developments.

Capital measures during 2009

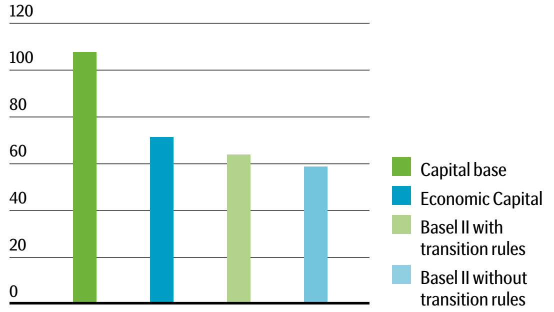
SEB undertook several measures to strengthen its capital position during 2009. These included a SEK 15.1bn rights issue, withholding of the dividend and a number of actions to strengthen core Tier I and Tier I capital. During the second quarter, SEB improved core Tier I by SEK 1.3bn from the completed tender to buy back GBP 400m of subordinated debt at 75 per cent of face value.

Two measures with effect in the fourth quarter increased the core Tier I ratio, improved the quality of hybrid capital in Tier I and reduced the capital ratio volatility through improved currency matching of risk-weighted assets and the capital base. The first measure was to issue EUR 500m of non-innovative capital contribution securities and the other measure was a tender for SEB's two USD denominated innovative capital contribution securities. USD 256m was repurchased out of an outstanding amount of USD 1,100m. This resulted in a capital gain of SEK 270m, which improved core Tier I capital.

The measures above contributed to increasing core Tier I capital to SEK 85.4bn (70.1) and Tier I capital to SEK 101.6 (82.5) at year-end. For 2009, the Group reported a Tier I capital ratio of 13.9 per cent (10.1) and a core Tier I capital ratio of 11.7 per cent (8.6), without Basel II transitional floors.

Capital base vs internal and external requirements

SEK bn



New capital regulation regime

Global regulators have been working on new regulatory capital requirements throughout 2009. These focus on increased supervisory scrutiny and additional capital reserve requirements. Forthcoming regulation will likely require banks to hold more and better quality capital, which is fully in line with SEB's own ambitions and with measures taken during 2009 (as described above). Regulators are also discussing the introduction of a leverage ratio as a back-stop to capital adequacy regulation and

Capital adequacy

SEK m	2009	2008
Capital resources		
Core Tier I capital	85,381	70,092
Tier I capital	101,604	82,463
Capital base	107,345	104,723
Without transitional floor (Basel II)		
Capital requirement	58,439	65,423
Expressed as Risk-weighted assets	730,492	817,789
Core Tier I capital ratio	11.7%	8.6%
Tier I capital ratio	13.9%	10.1%
Total capital ratio	14.7%	12.8%
Capital adequacy quotient (capital base / capital requirement)	1.84	1.60
With transitional floor (Basel II) – as officially reported		
Transition floor applied	80%	90%
Capital requirement	63,614	78,883
Expressed as Risk-weighted assets	795,177	986,038
Core Tier I capital ratio	10.7%	7.1%
Tier I capital ratio	12.8%	8.4%
Total capital ratio	13.5%	10.6%
Capital adequacy quotient (capital base / capital requirement)	1.69	1.33
With risk weighting according to Basel I		
Capital requirement	80,260	90,164
Expressed as Risk-weighted assets	1,003,250	1,127,054
Core Tier I capital ratio	8.5%	6.2%
Tier I capital ratio	10.1%	7.3%
Total capital ratio	10.7%	9.3%
Capital adequacy quotient (capital base / capital requirement)	1.34	1.16

Capital requirements

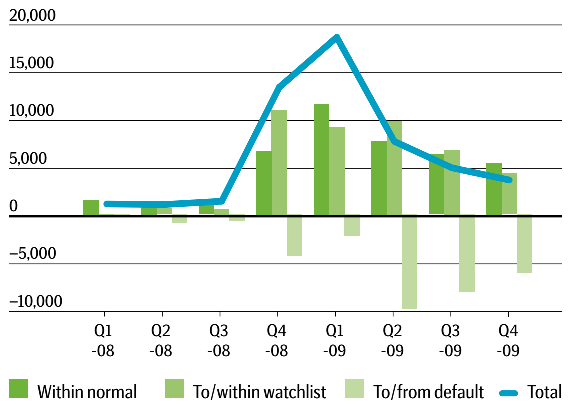
SEK m	2009	2008
Credit risk IRB reported capital requirements		
Institutions	4,016	4,472
Corporates	32,406	37,158
Securitisation positions	847	572
Retail mortgages	5,202	4,627
Other retail exposures	863	385
Other exposure classes	131	174
Total for credit risk, IRB approach	**43,465**	**47,388**
Further capital requirements		
Credit risk, Standardised approach	7,805	11,610
Operational risk, Advanced Measurement approach	3,157	3,080
Foreign exchange rate risk	636	570
Trading book risks	3,376	2,775
Total	**58,439**	**65,423**
Summary		
Credit risk	51,270	58,998
Operational risk	3,157	3,080
Market risk	4,012	3,345
Total	**58,439**	**65,423**
Adjustment for flooring rules		
Additional requirement according to transitional flooring	5,175	13,460
Total reported	**63,614**	**78,883**

Capital base – summary

SEK m	2009	2008
Equity	99,669	83,729
Deduction for dividends	–2,193	0
Goodwill in banking operations	–4,464	–7,305
IRB excess/shortfall	–297	–1,133
Deductions for non-banking operations	–2,617	–2,954
Other adjustments	–4,717	–2,245
Core Tier I capital	**85,381**	**70,092**
Tier I capital contribution	16,223	12,371
Tier I capital	**101,604**	**82,463**
Tier II debt	17,756	33,731
IRB excess/shortfall	–297	–1,133
Deductions for non-banking operations	–10,648	–10,696
Other adjustments	–1,070	358
Capital base	**107,345**	**104,723**

Risk class migration, RWA effect by quarter

Corporate and inter-bank portfolios, SEK m



mechanisms that give banks incentives to build extra capital buffers during benign phases of the business cycle. SEB actively monitors the regulatory development, for example by assessing the capital effect of various suggestions, and takes part in consultations via national and international industry organisations.

Capital governance and management

The Group's Capital Policy defines how capital management should support the business goals. The capital policy, which also sets out the dividend policy and the rating targets of the Group, is established by the Board of Directors based on recommendations from the Group Asset and Liability Committee and the Risk and Capital Committee of the Board. The policy is reviewed yearly.

The Chief Financial Officer is responsible for the process to assess capital requirements in relation to the Group's risk profile, and for proposing a strategy for maintaining the capital levels. This process, the Internal Capital Adequacy Assessment Process (ICAAP), is integrated with the Group's business planning and is part of the internal governance framework and its internal control systems.

Together with continuous monitoring and reporting of the capital adequacy to the Board this ensures that the relationships between shareholders' equity, economic capital, regulatory and rating-based requirements are managed in such a way that SEB does not jeopardise the profitability of the business and the financial strength of the Group.

Capital is managed centrally, meeting also local requirements as regards statutory and internal capital. As a matter of practice, SEB may buy back outstanding issues of subordinated debt, including call options utilisation, to optimise the capital structure.

Dividends

The size of the dividend in SEB is determined by the economic environment as well as the financial position and growth potential of the Group. SEB has traditionally had the objective that the annual dividend shall, over a business cycle, correspond to around 40 per cent of earnings. Each year's dividend is assessed in the light of prevailing economic conditions and the Group's earnings and capital position.

Capitalisation targets

SEB's capitalisation targets in relation to capital management are set for two principal purposes: 1) to ensure that the Group's capital strength is sufficient to uphold the decided business strategy, maintaining capital ratios above the minimum levels established by the regulators even in less favourable economic circumstances, and 2) to ensure that the capital strength is sufficient to protect senior debt holders, given the Group's chosen risk appetite (AA rating target).

SEB's long-term Tier I capital ratio target is 10 per cent, based on the Basel II framework applied without transition rules.

Evolution of risk-weighted assets (RWA)

Overall Basel II RWA (before the effect of transitional flooring) decreased by 11 per cent, or SEK 87bn, over the year. Lower underlying credit volumes contributed some 58bn, with a further 24bn reduction as a currency effect because of the stronger SEK during the year.

Net internal risk class migration increased RWA for inter-bank and corporate exposures by SEK 35bn (of which 6bn in Baltic exposures). The pace of migration has slowed during the year as shown in the graph above. The migration effect was partly countered by a revision of how risk classes are expressed as probabilities of default and further onto risk weights, lowering RWA by 17bn during the fourth quarter, and by a certain shift of volumes towards better-rated clients. Thus the average risk weight for these portfolios increased only marginally.

Down-grade of some external ratings led to higher average risk weight for securitisation positions (mainly structured credits issued from other banks) with a total effect over the year of some 7 bn SEK.

The IRB roll-out of further Retail exposures has lowered RWA by 8bn; and increased precision in delivery of IRB exposure data has caused a decrease of 7bn.

Capital requirements for operational risk were fairly stable over the year while the requirements for market risk corresponded to an increase of 8 bn in RWA. Considering also the lowering of the regulatory floor from 90 per cent of Basel I (2008) to 80 per cent (2009), reported RWA decreased from SEK 986bn to 795bn over the year.

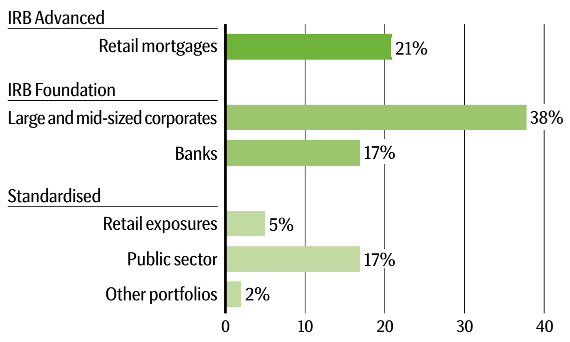
Basel II rollout

From 2008, all the Group's reporting follows Basel II. SEB has received regulatory approval to apply the Internal Ratings Based (IRB) approach for 85 per cent of its RWA. The Group's ultimate target is to be approved for IRB Advanced for all portfolios, except for exposures to public entities and a small number of in-significant portfolios. For these exposures, the Standardised approach will be used.

The phased implementation of Basel II, with Basel I based RWA (Risk-Weighted Assets) floors, necessitates monitoring, targeting and reporting capital ratios according to both regulatory frameworks. The transitional floors have been in use during 2007–2009 and have been prolonged by the Swedish Financial Supervisory Authority through 2011, but changing status from a binding requirement to recommended use.

Distribution of loan portfolios by Basel II method

Share of Group exposure



Economic Capital

For internal capital assessment and performance evaluation, SEB uses an Economic Capital framework based on a Capital at Risk (CAR) model. This internal framework bears strong similarities with the regulatory framework for capital adequacy, Basel II, in that many of the underlying risk drivers are the same. The calculation of Economic Capital is based on a confidence level of 99.97 per cent, representative of an AA-rating.

At the end of 2009, the internal capital requirement for the Group, calculated as Economic Capital, was SEK 71.2 bn (76.6), with credit risk and insurance risk being the largest risk components (insurance surplus values are included in the Group's overall loss absorption capacity and are therefore included in the calculation of economic capital). Due to diversification effects when risks are aggregated across divisions, the capital requirement is considerably lower than if the divisions had been independent legal units.

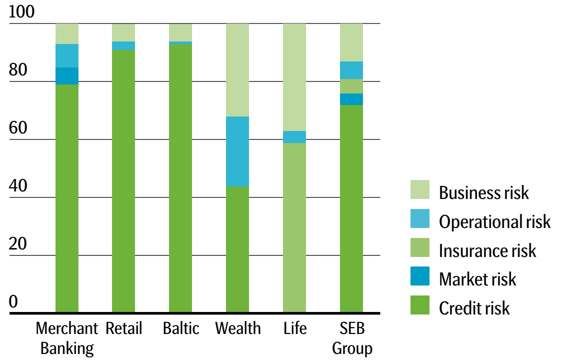
Allocation of capital to divisions is also based on the Economic Capital framework. Profitability is measured by relating reported result to allocated capital, which makes it possible to benchmark the risk-adjusted return of the Group and its divisions.

Economic Capital, by risk type

SEK m	2009	2008	2007
Credit risk	58,600	63,500	55,300
Market risk	3,300	4,800	2,800
Insurance risk	19,500	17,900	15,100
Operational risk	8,700	8,100	6,000
Business risk	7,300	8,600	8,800
Diversification	–26,200	–26,300	–21,400
Total Economic Capital	**71,200**	**76,600**	**66,600**

Risk composition per division 2009

Per cent



Quantification of credit risk

The SEB methodology for credit risk quantification is based on the economic capital framework. Credit risk is calculated for all assets, both in the banking book and in the trading book. The methodology is aligned with the Basel II framework and addresses the following components:

Probability of default (PD)

For each risk class, SEB makes one-year, through the cycle, PD estimates using twelve years' internal history of defaults. The estimates are aligned against the scales of international rating agencies and their published default frequencies. For private individuals and small enterprises, a scoring method is used to assign loans to pools of similar transaction type and sharing similar likelihood of default. Conservatively adjusted historical default data are then used to make the PD estimates for each pool. Statistical analysis confirm that SEB's risk classes historically have demonstrated differentiated patterns for default, e.g. higher risk classes have had higher default ratios than lower risk classes.

Size of exposure in the event of a default (EAD)

Exposure is measured in nominal terms (e.g. in the case of loans, bonds and leasing contracts), as a percentage of committed amounts (credit lines, letters of credit, guarantees and other off-balance-sheet exposures) and through current market values plus an amount for possibly increased exposure in the future, net of any eligible collateral (in the case of derivatives contracts, repos and securities lending).

Loss given default (LGD)

Evaluation of potential loss on an outstanding claim in case of default, considering collateral provided etc. Evaluations are based upon internal and external historical experience and the specific details of each relevant transaction. The LGD estimates are set conservatively to reflect the conditions in a severe economic downturn.

Portfolio model

The components above (PD, EAD and LGD) are combined and used in a portfolio model, taking into account industry and geographic diversification as well as large-name concentrations, when the credit risks are aggregated.

Stress testing

The macroeconomic environment is the major driver of risk to SEB's earnings and financial stability. To arrive at an appropriate and comprehensive assessment of the Group's financial strength, both the expected development of the economy as well as stressed scenarios representing severe and extreme conditions must be taken into consideration. Stress scenario testing is used to assess an extra safety margin over and above the formal capital model requirements.

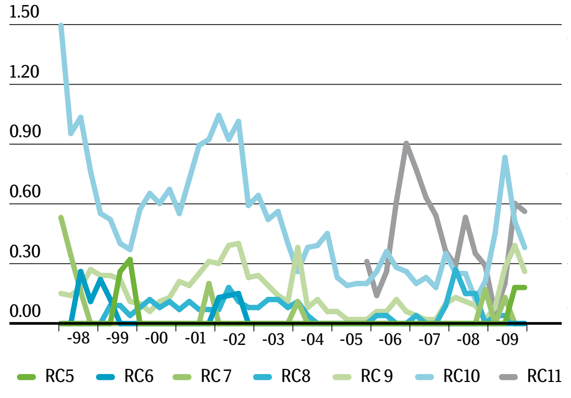
Using recession scenarios and contrasting them with the base scenario underlying the established financial plan, the stress testing framework projects the risk level in the Group in relation to available capital resources. In the stressed scenarios projected earnings are lowered, credit losses are augmented (both for outright defaults and for increased collective provisions) and average risk weights in credit portfolios are increased due to risk class migration. The testing framework uses historical experience and internal statistics to quantify the level of stress that the base scenario should be exposed to.

The Group typically works with stress test scenarios designed to be a one in 10 year event and a one in 50 year event. In a one in 10 year event, equity prices remain unchanged for three consecutive years. Industrial productivity decreases in years one and two, followed by a modest increase in year three. A one in 50 year event sees equity prices falling by 20–25 per cent annually for three years. Industrial productivity decreases by 5, 2.5 and 2 per cent annually, for three years. When needs arise, these stress tests are supplemented with more specific scenarios representative of prevailing economic conditions.

Performing stress tests constitutes an important part of SEB's long-term capital assessment process. Available and required capital numbers are computed, contingent on the stressed environment, for each year in the scenarios. This makes it possible to assess the Group's financial strength under even worse conditions than assumed in the financial plans.

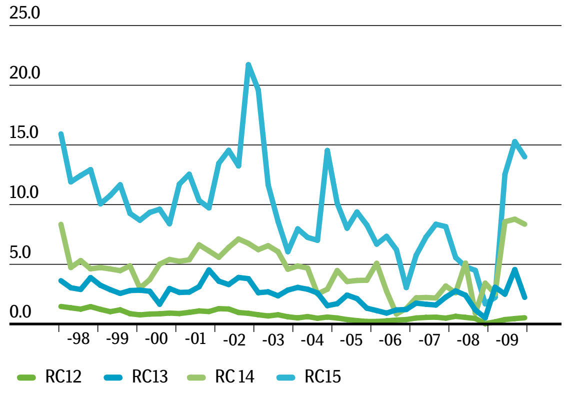
Observed default frequencies, risk classes 5–11

Per cent

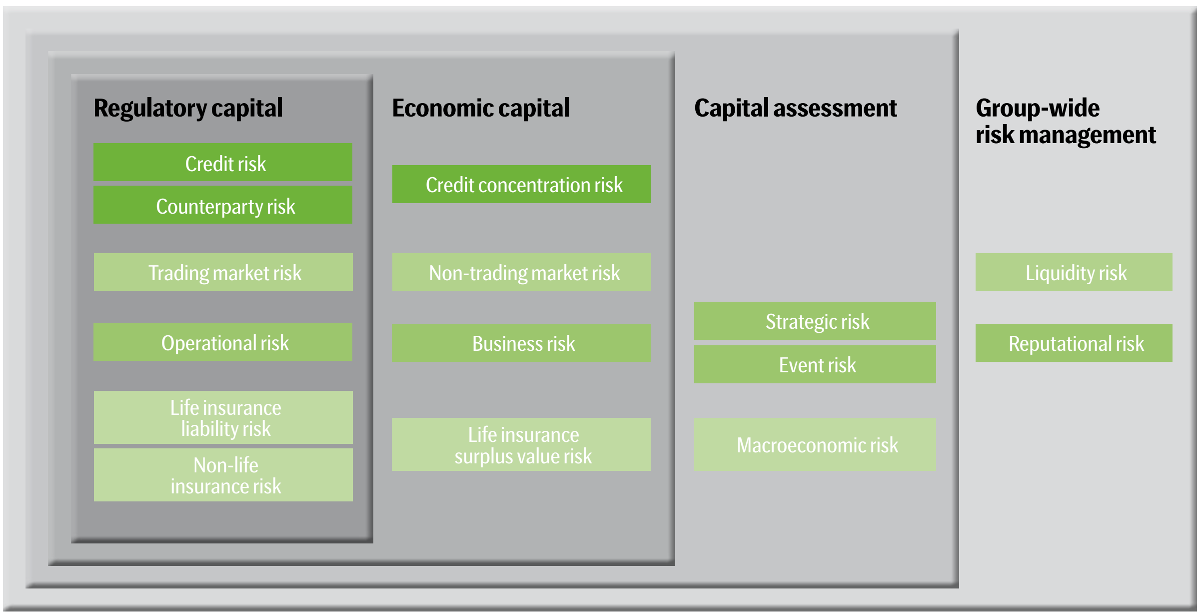


Observed default frequencies, risk classes 12–15

Per cent



SEB risk taxonomy



Corporate Governance within SEB

SEB follows the Swedish Code of Corporate Governance (Bolagsstyrningskoden). No deviations were made from the provisions of the Code during 2009. The Corporate Governance Report has not been reviewed by the auditors.

Clear distribution of responsibilities

The ability to maintain confidence among customers, shareholders and other stakeholders is of vital importance for SEB. An essential factor in this context is a clear and effective structure for responsibility distribution and governance, thus avoiding e.g. conflicts of interest. SEB attaches great importance to the creation of clearly defined roles for officers and decision-making bodies within credit-granting, corporate finance activities, asset management and insurance operations, for example.

The structure of responsibility distribution and governance comprises:

- Annual General Meeting (AGM)
- Board of Directors
- President/Chief Executive Officer
- Divisions, business areas and business units
- Staff and Support functions
- Internal Audit, Compliance and Risk Control.

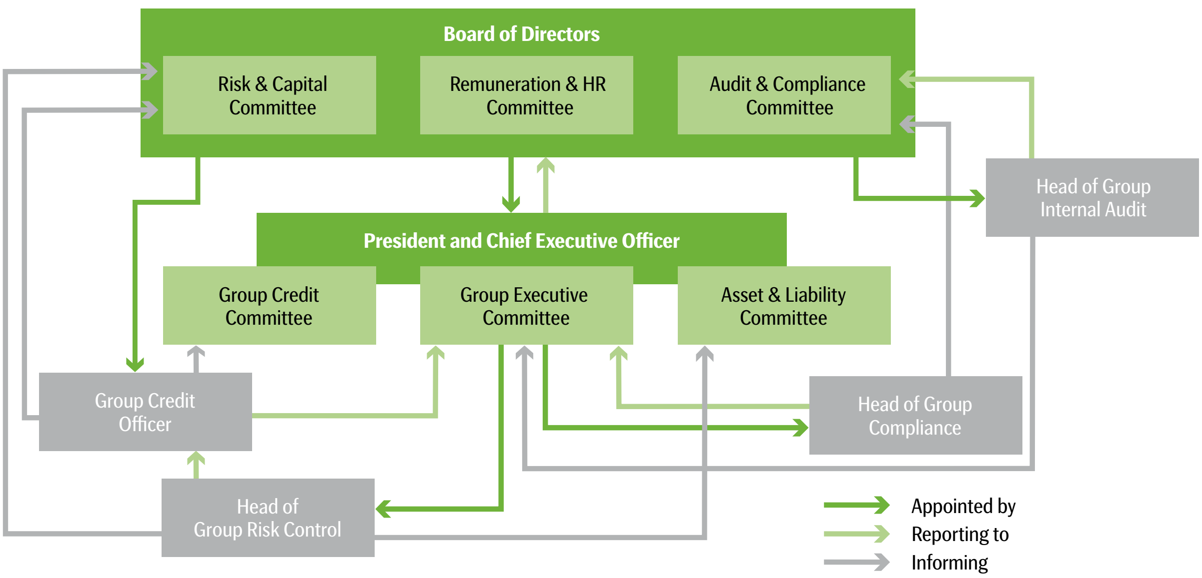
The Board of Directors and the President perform their governing and controlling roles through several policies and instructions, the purpose of which is to clearly define the distribution of responsibility. The Rules of Procedure for the Board of Directors, the Instruction for the President and Chief Executive Officer, the Instruction for the Activities, the Group's Credit Instruction, Instruction for handling of Conflicts of Interest, Ethics Policy, Risk Policy, Instruction for procedures against Money Laundering and Financing of Terrorism, Remuneration Policy, Code of Business Conduct and the Corporate Sustainability Policy are of special importance.

Annual General Meeting

Shareholders' influence is exercised at the Annual General Meeting (AGM), which is the highest decision-making body of the Bank. All shareholders, registered in the Shareholders' Register and having notified their attendance properly, have the right to participate in the Meeting and to vote for the full number of their respective shares. A shareholder who cannot participate in the Meeting can be represented by proxy.

Amongst other things, at the AGM the shareholders deal with changes of the Articles of Association and the allocation of the

Corporate Governance structure



SEB's activities are managed, controlled and followed up in accordance with policies and instructions established by the Board and the President (CEO).

The largest shareholders[1]

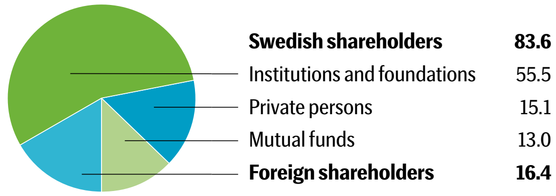
December 31, 2009	No. of shares	Of which Series C shares	Per cent of number of all shares	votes
Investor AB	456,089,264	2,725,000	20.8	20.9
Trygg Foundation	201,928,357	0	9.2	9.3
Alecta	131,625,000	0	6.0	6.1
Swedbank/Robur Funds	94,017,883	0	4.3	4.3
AMF Insurance and Funds	59,204,615	0	2.7	2.7
AFA Insurance	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 PensionFund	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

Shareholder structure

Percentage holdings of equity on 31 December 2009



The majority of the Bank's approximately 300,000 shareholders are private individuals with small holdings. The ten largest shareholders account for 51 per cent of capital and votes.

Source: VPC/SIS Ägarservice

Bank's profit, appoints Board members and auditor and decides on the discharge from liability for the Board members and the President. The AGM also decides on remuneration for the Board and the auditor and approves the guidelines for remuneration to the President and Group Executive Committee.

SEB's major shareholders and shareholder structure as per 31 December, 2009 appear from the tables above.

Nomination Committee

According to a decision of the 2009 AGM, the members of the Nomination Committee for the 2010 AGM were appointed during the autumn of 2009. Four of the Bank's major shareholders have appointed one representative each to the Nomination Committee. These four representatives are: Petra Hedengran, appointed by Investor, Chairman of the Nomination Committee, William af Sandeberg, appointed by Trygg Foundation, Staffan Grefbäck, appointed by Alecta and Peder Hasslev, appointed by AMF Pension and Funds. Marcus Wallenberg, the Chairman of the Board, is also a member of the Committee. The Board has appointed the Board member Urban Jansson as additional member of the Nomination Committee.

The task of the committee is to prepare proposals for the Chairman of the AGM, the number of Board members, remuneration to the Board of Directors and the auditors, appointment of Board members and the Chairman of the Board, distribution of the remuneration between the Board members, as well as for committee work, auditors (when relevant) and decision on a Nomination Committee for the next AGM, to be presented at the AGM for decision.

The size and composition of the Board of Directors should be such as to serve the Bank in the best possible way. It is therefore crucial that the Board members represent the experience and knowledge about the financial and other sectors. Their international experience and network of contacts should meet the demands that the Bank's position and future orientation call for. The result of the internal evaluation of the Board of Directors, its members and the Chairman of the Board forms part of the material used by the Nomination Committee. If necessary, the Nomination Committee will use external advisors.

Since the 2009 AGM the Nomination Committee has held four meetings and been in contact between the meetings. The proposals from the Nomination Committee and comments to the proposal on Board members are found on the website of the Bank and an account for the way in which the Nomination Committee has performed its work will be presented at the 2010 AGM. No special compensation has been paid to the members of the Nomination Committee.

Board of Directors

The Board members are appointed by the shareholders at the AGM for a term of office of one year, until the next AGM.

As from the AGM 2009, the Board of Directors has consisted of eleven members (as from 21 October 2009 ten members), without any deputies, elected by the AGM and of two members and one deputy appointed by the employees. In order for the Board to form a quorum more than half of the members must be present. The President, Annika Falkengren, is the only Board member elected by the AGM who is equally an employee of the Bank. All other Board members elected by the AGM are considered to be independent in relation to the Bank and its Management. With the exception of Marcus Wallenberg and Jacob Wallenberg, who are not considered to be independent in relation to the shareholder Investor AB, all Board members are considered to be independent in relation to major owners. Independent Board members are defined as those who have no essential connections with the Bank, its Management or major shareholders (holding 10 per cent or more of the shares or votes) besides being Board members. The composition of the Board of Directors as from the 2009 AGM appears from the table on page 59 and information on the members is found on pages 142–143.

The Board of Directors has adopted Rules of Procedure that regulate the role and working forms of the Board as well as special instructions for the committees of the Board. The Board has the overall responsibility for the activities carried out within the Bank and the Group and thus decides on the nature, direction, strategy and framework of the activities and sets the objectives for the activities. The Board regularly follows up and evaluates the operations in relation to the objectives and guidelines established by the Board. Furthermore, the Board has the responsibility to ensure that the activities are organised in such a way that

Board of Directors as from the 2009 Annual General Meeting

Name	Elected	Position	Risk and Capital Committee	Audit and Compliance Committee	Remuneration and HR Committee	Total remuneration, SEK	Presence Board Meetings	Presence Committee Meetings
Marcus Wallenberg	2002	Chairman	Deputy Chairman	Deputy Chairman	Deputy Chairman	2,062,500	100%	100%
Tuve Johannesson	1997	Deputy Chairman			Director	645,000	100%	100%
Jacob Wallenberg	1997	Deputy Chairman				450,000	87.5%	-
Penny Hughes [1]	2000	Director			Chairman	516,152	86%	100%
Urban Jansson	1996	Director	Chairman			885,000	100%	100%
Hans-Joachim Körber	2000	Director				375,000	75%	-
Tomas Nicolin	2009	Director			Chairman	504,164	100%	100%
Christine Novakovic	2008	Director		Director		570,000	100%	100%
Jesper Ovesen	2004	Director	Director			700,000	94%	96%
Carl Wilhelm Ros	1999	Director		Chairman		762,500	100%	100%
Annika Falkengren	2006	Director, President and CEO	Director			–	100%	81%
Göran Lilja	2006	Director appointed by the employees				–	100%	-
Cecilia Mårtensson	2008	Director appointed by the employees				–	62.5%	-
Göran Arrius	2002	Deputy Director appointed by the employees				–	94%	-
						7,470,316		

● Chairman ● Deputy Chairman ● Director 1) Penny Hughes resigned as per 20 October 2009.

the accounts, management of funds and financial conditions in all other respects are controlled in a satisfactory manner and that the risks inherent in the activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules, including the Articles of Association of the Bank.

The Board appoints and dismisses the President and his/her Deputy as well as the Executive Vice Presidents, the Group Credit Officer, the members of the Group Executive Committee and the Head of Group Internal Audit.

The Chairman of the Board organises and manages the work of the Board by convening Board meetings, deciding on the agenda and preparing the matters to be discussed at the meetings, after consulting the President, among other things.

The Board members receive regular information about and, if necessary, training in changes in rules concerning the activities of the Bank and listed company directors' responsibilities, among other things. They are regularly offered the opportunity of discussing with the Chairman of the Board, the President and the Secretary to the Board of Directors.

The President takes part in all Board meetings, except in matters where the President has an interest that may conflict with the interest of the Bank such as those during which the work of the President is evaluated. Other members of the executive management of the Bank participate whenever required for purposes of informing the Board or upon request by the Board or the President. During 2009, the Board has held discussions without the President or any other member of the executive management of the Bank being present. The General Legal Counsel of the Bank and the Group is the Secretary to the Board of Directors.

The work of the Board follows a yearly plan. During 2009, 16 Board meetings were held. External audit representatives were present at one of these meetings. The decisions of the Board are made after open and constructive discussions. Essential matters dealt with during the year included the following:

- Strategic direction of Group activities (nature and scope)
- Overall long-term goals for the activities
- Annual review and revision of policies and instructions, including the Remuneration Policy
- Capital and financing issues, including risk limits
- The Bank's new share issue
- Business plans, financial plans and forecasts
- The instability on the financial markets
- Group risk position, including asset quality and development of credit portfolio and liquidity situation
- The Swedish State Guarantee Programme
- Thorough penetration of business and market segments
- Major investments and business acquisitions/divestments
- Review of remuneration principles in relation to new regulations and international guidelines
- Long-term incentives, succession planning and top management review process
- Interim reports and annual report
- Internal operational and cost-efficiency processes
- IT structure and strategy
- Follow-up of the Bank's internal control functioning
- Follow-up of external and internal audit activities and Group compliance activities
- Evaluation of the work of the Board of Directors, the Chairman of the Board, the President and the Group Executive Committee.

The overall responsibility of the Board cannot be delegated. However, the Board has established committees to handle certain defined issues and to prepare such issues for decision by the Board of Directors. At present, there are three committees within the Board of Directors: the Risk and Capital Committee, the Audit and Compliance Committee and the Remuneration and Human Resources Committee. Minutes are kept of each committee meeting and communicated to the other Board members promptly after the meetings. The committees report regularly to the Board of Directors. Committee members are appointed for a period of one year at a time. It is an important principle that as many Board members as possible shall participate in the committee work, also as committee chairmen. Although the Chairman of the Board is a member of all three committees, he is not chairing any of them. Neither the President nor any other officer of the Bank is a member of the Audit and Compliance Committee or the Remuneration and Human Resources Committee. The President is a member of the Risk and Capital Committee. The work of the Board committees is regulated through instructions adopted by the Board. Apart from the committee work, no work distribution is applied by the Board.

Risk and Capital Committee

The *Risk and Capital Committee* of the Board shall support the Board in establishing and reviewing the Bank's organisation so that it is managed in such a way that all risks inherent in the Group's activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules. The Committee decides the principles and parameters for measuring and allocating risk and capital within the Group. The Committee reviews and makes proposals for Group policies and strategies, such as Risk Policy and risk strategy, Credit Policy, Capital Policy, Liquidity and Pledge Policy as well as Trading and Investment Policy, for decision by the Board, and monitors that these policies are implemented and follows up the development of the risks of the Group. The Committee prepares the Board decisions concerning limits for market and liquidity risks. The Committee furthermore approves the President's proposal for the appointment and dismissal of the Head of Group Risk Control.

As far as credit matters are concerned, the Committee adopts credit policies and instructions that supplement the Credit Policy and Credit Instruction of the Group and makes decisions on individual credit matters (matters of major importance or of importance as to principles). In addition, the Committee reviews on a regular basis both significant developments in the credit portfolio and the credit process within the Bank and the Group. It furthermore examines matters relating to operational risk, market and liquidity risk and insurance risk.

As far as capital matters are concerned, the Committee regularly reviews essential changes in the overall capital and liquidity situation and the capital adequacy situation of the Group, including the implementation of Basel II. The Committee prepares changes in the Group's capital goals and asset management matters, for decision by the Board, such as dividend level and the set-up and utilisation of repurchase programmes of own shares. The Committee consists of four members, including the President, and forms a quorum whenever a minimum of three members are present, including the Chairman or Deputy Chairman of the Committee. If more than one member of the Committee is prevented from participating in a matter or resolution due to conflicting interests, other Board members elected by the shareholders may be called in as temporary members of the Committee to secure necessary quorum in t he matter of resolution. During 2009 the Committee had the following members: Urban Jansson, Chairman, Marcus Wallenberg, Deputy Chairman, Jesper Ovesen and Annika Falkengren. The Group's Chief Financial Officer has the overall responsibility for presentations of capital matters to the Committee, the Group Credit Officer for credit matters and the Head of Group Risk Control for risk control matters. The Committee held 26 meetings during 2009. In addition to the ordinary issues the Committee specifically dealt with issues on Group risk in relation to the instability on the financial markets and the Governmental capital and financial support programmes.

Audit and Compliance Committee

The *Audit and Compliance Committee* of the Board supports the work of the Board in terms of quality control of the Bank's financial reports and internal control over the financial reporting. When required the Committee also prepares, for decision by the Board, a proposal for the appointment or dismissal of the Head of Group Internal Audit. The Committee maintains regular contact with the external and internal auditors of the Bank and discusses the co-ordination of the external and internal audit. During 2009, the Committee has met with representatives of the external auditors on several occasions, without the President or any other member of the executive management of the Bank being present. The Committee deals with the accounts and interim reports as well as with audit reports, including any changes in the accounting rules. It ensures that any remarks and observations from the auditors are attended to. The Committee furthermore decides on guidelines for which services other than auditing services that may be procured by the Bank and the Group from the external auditors. It assesses the external auditors' work and independence and prepares proposals for new auditors to the Nomination Committee prior to the AGM's election of auditor.

The Committee adopts an annual audit plan for the internal audit function co-ordinated with the external audit plan.

The Committee furthermore approves the President's proposal for the appointment and dismissal of the Head of Group Compliance and the compliance plan. The internal audit and compliance activities are monitored on a continuous basis.

The Committee consists of three members, none of whom are employed by the Group. The committee forms a quorum whenever a minimum of two members are present, including the Chairman or Deputy Chairman of the Committee. During 2009, the Audit and Compliance Committee had the following members: Carl Wilhelm Ros, Chairman, Marcus Wallenberg, Deputy Chairman and Christine Novakovic. The Head of Group Internal Audit and the Head of Group Compliance are the presenters of reports in the Committee. The Audit and Compliance Committee held five meetings during 2009. The external auditors attended all of these meetings. In addition to the ordinary issues the Committee specifically dealt with issues on follow-up of the internal control over financial reporting and the Bank's IT strategy and structure.

Remuneration and Human Resources Committee

The *Remuneration and Human Resources Committee* of the Board prepares matters on remuneration principles, incentive programmes and pension plans. The Committee prepares, for decision by the AGM and the Board, respectively, a proposal for remuneration guidelines applicable to the President and the members of the Group Executive Committee as well as a proposal for remuneration to the President and the Head of Group Internal Audit. The Committee decides on issues concerning remuneration to the members of the Group Executive Committee according to the guidelines established by the AGM. The committee furthermore approves proposals for remuneration to the Head of Compliance and Head of Group Risk Control. The Committee follows and evaluates the Bank's incentive programmes and how the guidelines established by the AGM for remuneration to the President and the members of the Group Executive Committee are applied as well as follows and evaluates other remuneration structures and remuneration levels in the Bank. The Committee furthermore monitors the pension commitments of the Group and monitors, together with the Risk and Capital Committee of the Board, all measures taken to secure the pension commitments of the Group including the development of the Bank's pension foundations. It furthermore discusses personnel matters of strategic importance, such as succession planning for strategically important positions and other management supply issues.

The Committee consists of three members, none of whom are employed by the Group. The Committee forms a quorum whenever a minimum of two members are present, including the Chairman or Deputy Chairman of the Committee. During 2009, the Committee had the following members: Penny Hughes (up to 20 October) Tomas Nicolin (as from 21 October), Chairman, Marcus Wallenberg, Deputy Chairman and Tuve Johannesson. The President presents proposals, reports and information to the Committee, together with the Head of Group Human Resources & Organisational Development, with respect to matters where there are no conflicts with the interests of the Bank. The Remuneration and Human Resources Committee held 14 meetings during 2009. In addition to the ordinary issues the Committee specifically dealt with issues on remuneration to certain senior executives in view of SEB's application for participation in the Swedish State Guarantee Programme and on review of remuneration principles applied in the Group and the Remuneration Policy for the Group in relation to new regulations and international guidelines.

Evaluation of the Board of Directors, the Chairman of the Board, the President and the Group Executive Committee

SEB applies an annual self-assessment method, which among other things includes a questionnaire, followed by discussions within the Board. Through this process the activities and working methods of the Board, the Chairman of the Board and each respective committee are evaluated. Among the issues examined are the following: how to improve the work of the Board further, whether or not each individual Board member takes an active part in the discussions of the Board and the committees, whether they contribute independent opinions and whether the meeting atmosphere facilitates open discussions. The outcome of the evaluation has been presented to, and discussed by, the Board and the Nomination Committee.

The Chairman of the Board evaluates each individual member's work, formally once a year. Marcus Wallenberg did not participate in the evaluation of the Chairman's work, which evaluation was conducted by Tuve Johannesson.

The Board evaluates the work of the President and the Group Executive Committee on a continuous basis, without attendance by the President or any other member of the Group Executive Committee.

The President and Chief Executive Officer

The Board of Directors has adopted an instruction for the President's and Chief Executive Officer's work and role. The President is responsible for the day-to-day management of the Group's activities in accordance with the guidelines and established policies and instructions of the Board. The President reports to the Board of Directors and submits a separate monthly CEO report to the Board on the development of the business in relation to resolutions taken by the Board, among other things.

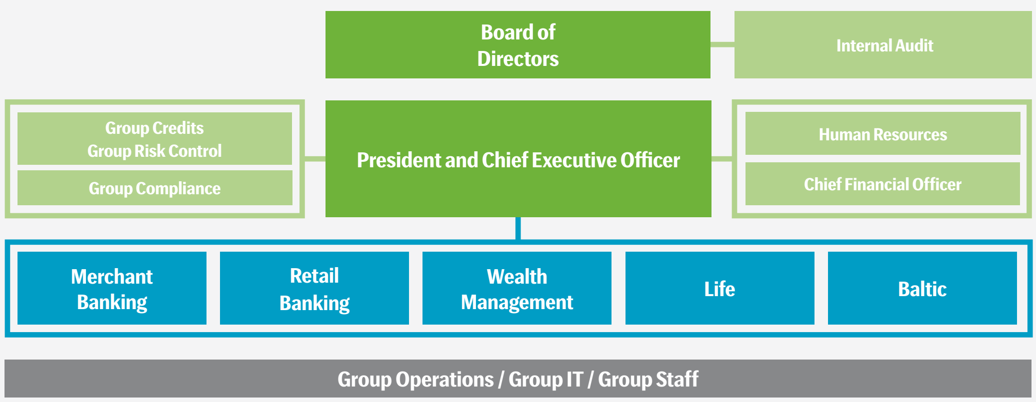
The President appoints the Chief Financial Officer of the Group, the Heads of Divisions, the Head of Business Support and Group Staff, the Head of HR & Organisational Development and the Head of Group Strategy & Business Development. The President further appoints Head of Group Compliance, Head of Group Risk Control, Head of Group IT, Heads of branches and Heads of the individual staff and support functions. The Chief Financial Officer of the Group is appointed in consultation with the Chairman of the Board, the Head of Group Compliance in consultation with the Audit and Compliance Committee of the Board and the Head of Group Risk Control in consultation with the Risk and Capital Committee of the Board. The President proposes Group Credit Officer for appointment by the Board of Directors.

President and Chief Executive Officer is Annika Falkengren. More information about the President is found on page 143. Deputy President and Chief Executive Officer is Bo Magnusson.

The President has three different committees at her disposal for the purpose of managing the operations: the Group Executive Committee, the Group Credit Committee (page 62) and the Asset and Liability Committee (page 62).

In order to protect the interests of the whole Group, the President consults with the Group Executive Committee (GEC), its IT-Committee and the New Product Approval Committee (NPAC)

SEB´s organisation



on matters of major importance or of importance as to principles. The GEC deals with, among other things, matters of common concern to several divisions, strategic issues, business plans, financial forecasts and reports. The GEC has held 17 meetings during 2009. During the year, Annika Falkengren, Jan Erik Back, Fredrik Boheman, Magnus Carlsson, Ingrid Engström, Hans Larsson, Bo Magnusson, Anders Mossberg and Mats Torstendahl were members of the Group Executive Committee. Martin Johansson (Head of Division Baltic), Johan Andersson (Group Credit Officer) and Viveka Hirdman-Ryrberg (Head of Group Communication and CEO Office) are additional members.

GEC meets quarterly with the Country Managers and Heads of staff and support functions for information sharing purposes.

There is a special forum for information exchange at Group level, the Management Advisory Group (MAG), which consists of senior officers representing the whole Group. The members of MAG are appointed by the President in consultation with the GEC.

Divisions, business areas and business units

The Board of Directors has regulated the activities of the Group in an instruction concerning the Group's operations and established how the divisions of the Group, including the international activities through branches and subsidiaries, shall be managed and organised.

SEB's activities are organised in five divisions:

- **Merchant Banking,** with Magnus Carlsson as Head, for SEB's relations with large and medium-sized companies, financial institutions and real estate companies,
- **Retail Banking,** with Mats Torstendahl as Head, for SEB's retail operations and card activities,
- **Wealth Management,** with Fredrik Boheman as Head, for SEB's mutual fund and asset management activities and private banking,
- **Life,** with Anders Mossberg as Head, for SEB's life insurance activities and
- **Baltic,** with Martin Johansson as Head for SEB's Baltic operations.

All Heads of division are members of the Group Executive Committee, the Head of the Baltic division additional member.

Each division's operations are divided into business areas which, in turn, are divided into business units. The Head of Division has the overall responsibility for the activities of the division and appoints, after consultations with the President, heads of business areas within the division and of those subsidiaries for which the division is responsible. Within each division there is a management group, which includes the Head of division and a number of heads of business areas and subsidiaries pertaining to the division. There are also management groups within the business areas and business units.

A Country Manager has been appointed for the co-ordination of activities within some of those countries outside Sweden in which several divisions carry out activities, such as Denmark, Norway and Finland. The Country Manager reports to a member of the Group Executive Committee, especially appointed for the purpose.

Staff and support functions

SEB's *staff and support* functions are divided into three cross-divisional support functions in order to streamline operations and front office support: Group Operations, Group IT and Group Staff. SEB has a number of staff and support functions such as CEO Office, Finance, Treasury, Human Resources & Organisational Development, Marketing, Communication, Legal, Security and Procurement & Real Estate. In general the staff functions within SEB have a global functional accountability and own and manage the SEB Group's common instructions and policies, processes and procedures for the purpose of proactively supporting the President, the Group Executive Committee, managers and staff as well as all business units of the Group.

Risk organisation and responsibility

The Board of Directors has the ultimate responsibility for the risk organisation of the Group and for the maintenance of satisfactory internal control. The Risk and Capital Committee of the Board shall support the Board in this work, e.g. by reviewing the Group's risk, capital and liquidity policies for yearly updates. The Board receives a report on the development of the Group's exposure with respect to risks at least once per quarter.

The President and CEO has the overall responsibility for managing SEB's risks in accordance with the policies and instructions of the Board. The President and CEO shall ensure that the organisation and administration of SEB are appropriate and that activities undertaken are in compliance with law. In particular, the President and CEO shall present any essential risk information regarding SEB to the Board, including the utilisation of limits.

The primary responsibility for ensuring that the Board's intent regarding risk management and risk control is practically applied in SEB lies with the *Asset and Liability Committee* and the Group Credit Committee. The Asset and Liability Committee, chaired by the President and CEO, deals with issues relating to the overall risk level of the Group and the various divisions and decides on, among other things, risk limits, risk-measuring methods and capital allocation. Within the framework of the Group Capital Policy and the Group Risk Policy of the Board of Directors, the Asset and Liability Committee has established policy documents for the responsibility and management of the risk types of the Group and for the relationship between risk and capital. The Asset and Liability Committee held 13 meetings during 2009.

The *Group Credit Committee (GCC)* is the highest credit-granting body of the Bank, with the exception of a few matters that are reserved for the Risk and Capital Committee of the Board of Directors. GCC is furthermore responsible for reviewing the credit-granting rules on a regular basis and for presenting proposals for changes to the Risk and Capital Committee of the Board, if necessary. The President is the chairman of the Committee and the Group Credit Officer is its deputy chairman. GCC held 54 meetings during 2009.

The credit organisation is independent from the business activities. *Group Credits* is responsible for the administration and management of the credit approval process and for important individual credit decisions and furthermore for analysis and follow-up of the composition of the credit portfolio as well as for the adherence to policies established by the Risk and Capital Committee and the Board of Directors. Its activities are regulated in the Group's Credit Instruction, adopted by the Board of Directors.

The Group Credit Officer is appointed by the Board, following proposal by the President, and reports to the President. The Group Credit Officer presents credit matters to the Risk and Capital Committee of the Board. The Board receives information on the composition of the credit portfolio, including large exposures and credit losses, at least once a quarter. The chairman of each credit committee has the right to veto credit decisions. The credit organisation is kept separate from the business units and handles credit matters exclusively. Significant exceptions to the credit policy of the Group must be referred to a higher level in the decision-making hierarchy.

Responsibility for day-to-day risk management in the Group rests with the divisions and Group Treasury. Thus, each division and Head of division is responsible for ensuring that the risks are managed and controlled in a satisfactory way on a daily basis, within established Group guidelines. It is a fundamental principle that all control functions shall be independent of the business operations.

Internal audit, compliance and risk control

The Group has three control functions, which are independent from the business operations: Internal Audit, Compliance and Risk Control.

Group Internal Audit is an independent Group-wide function, directly subordinated to the Board of Directors. The main responsibility of Group Internal Audit is to provide reliable and objective assurance to the Board and the President over the effectiveness of controls, risk management and governance processes, mitigating current and evolving high risks and in so doing enhancing the control culture within the Group. The Head of Group Internal Audit reports regularly to the Audit and Compliance Committee of the Board and keeps the President and the Group Executive Committee regularly informed. The Audit and Compliance Committee adopts an annual plan for the work of Internal Audit.

The Group Compliance organisation (Group Compliance) function is fully independent from the business operations, although it serves as a support function for the business operations. It is also separated from the legal functions of the Group. Compliance shall act proactively for Compliance quality in the Group through information, advice, control and follow-up within the Compliance areas, thereby supporting business and management. Areas of responsibility are Customer Protection, Market Conduct, Prevention of Money Laundering and Financing of Terrorism and Regulatory Systems and Control. Duties of the Compliance function are risk management, monitoring, reporting, development of internal rules within the compliance area, investigation of incidents, advising, training and communication as well as relations with regulators. The task of the Head of Group Compliance is to assist the Board and the President on compliance matters and to co-ordinate the handling of such matters within the Group. The Head of Group Compliance, appointed by the President following approval by the Audit and Compliance Committee, reports regularly to the President and the Group Executive Committee and informs the Audit and Compliance Committee of the Board about compliance issues. Following a Group-wide Compliance Risk Assessment and approval from the Audit and Compliance Committee, the President adopts an annual Compliance Plan.

The Group's risk control function (Group Risk Control) carries out the Group risk control and monitors the risks of the Group, primarily credit risk, market risk, insurance risk, operational risk and liquidity risk (see further on pp 40–56). Group Risk Control is segregated from the business units. Thus, the Head of Group Risk Control, who is appointed by the President following approval by the Risk and Capital Committee, reports to the Group Credit Officer. The Group's ALCO is regularly informed. The Head of Group Risk Control is the presenter of reports on risk control matters in the Risk and Capital Committee of the Board.

The Board of Directors has adopted instructions for the internal audit and compliance activities of the Group. The President has adopted an instruction for the Group Risk Control activities.

Information about the auditor

According to its Articles of Association, the Bank shall have at least one and not more than two auditors with at the most an equal number of deputies. A registered accounting firm may be appointed auditor. The auditors are, under Swedish law, appointed for a period of four years.

PricewaterhouseCoopers AB has been the Bank's auditor since 2000 and was re-elected in 2008 for the period up to and including the 2012 AGM. Chief responsible has been Peter Clemedtson, Authorised Public Accountant, as from the 2006 AGM. Peter Clemedtson has auditing experience from several major Swedish companies and is currently also auditor in Ericsson.

The fees charged by the auditors for the auditing of the Bank's annual accounts for the financial year ending 31 December 2009 and for 2008, respectively, and for other assignments invoiced during said periods appear from the table set out below:

Fees to the auditors

SEK m	2009	2008
Audit assignments	55	62
Other assignments	40	52
Total	**95**	**114**

Remuneration to the Board of Directors

Following an initiative from the Board of Directors the AGM 2009 resolved on a reduction of the Board members' base remuneration by 25 per cent. The remuneration for Committee work was unchanged.

SEB's 2009 AGM fixed a total remuneration amount of SEK 7,587,500 for the members of the Board to be distributed as follows: SEK 2,062,500 to the Chairman of the Board, SEK 3,525,000 to the other Directors elected by the AGM who are not employed in the Bank to be distributed as follows: SEK 450,000 each to the Vice Chairmen and SEK 375,000 to the other Directors, and SEK 2,000,000 for committee work to be distributed as follows:

Risk and Capital Committee: Chairman SEK 510,000, other member SEK 325,000, Audit and Compliance Committee: Chairman SEK 387,500, other member SEK 195,000 and Remuneration and Human Resources Committee: Chairman SEK 387,500, other member SEK 195,000. No fee for Committee work is distributed either to the Chairman of the Board or the employees of the Bank. Information on each director's assignment on Board committees and the distribution of the directors' remuneration for 2009 appears from the table on page 59. The remuneration is paid out on a running basis during the mandate period.

Following a recommendation by SEB's Nomination Committee, the Board of Directors has adopted a Share Ownership Policy for the Board. The policy recommendation is that each Board member shall use 25 per cent net after tax of the annual remuneration (excluding remuneration for committee work) distributed to said Board member to acquire shares in SEB.

Information on Remuneration principles, Remuneration to the President and Group Executive Committee as well as Long-term Incentive Programmes is found on pp 25–27 in Report of the Directors.

Board of Directors' Report on Internal Control over the Financial Reporting for 2009

The Board of Directors' report on Internal Control over Financial Reporting for the year 2009 has been prepared in accordance with the Swedish Code of Corporate Governance. This report is part of the Corporate Governance Report and describes how the internal control over financial reporting is organised within SEB. The report has not been reviewed by the company's auditors.

Internal control over financial reporting is defined as the process, which is effected by the Board, management and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting. The work with internal control over financial reporting in SEB is based upon the framework issued by the Committee of Sponsoring Organizations (COSO). The COSO framework is the most commonly used framework and is structured around five internal control components further described below; Control Environment, Risk Assessment, Control Activities, Information & Communications and Monitoring. The framework also consists of three internal control areas; Operations, Financial Reporting and Compliance. This report covers the Financial Reporting area only.

Control environment

The control environment establishes the foundation for internal control by shaping the culture and values that guide how SEB operates. This component includes management's operating style and the ethical values of the organisation, but also how authority and responsibility are communicated and documented in governing documents such as internal policies and instructions.

The Board of Directors and the President of SEB have adopted Group-wide SEB internal rules (policies and instructions) to be implemented by each organisational unit. The President has, supported by the Board, decided on the SEB Code of Business Conduct. These governing documents form the basic framework for the control environment within SEB.

Examples of specific parts of the control environment framework, essential for the internal control of financial reporting, are:

- Instruction for the Audit and Compliance Committee of the Board of Directors
- Instruction for the Chief Financial Officer, Group Treasury, Group Finance, the Accounting Standard Committee and the Tax Committee
- SEB Group Operational Risk policy
- SEB Group Accounting Principles.

Risk assessment

SEB´s risk assessment regarding financial reporting, meaning the identification and valuation of the most significant risks concerning financial reporting, is performed annually. The assessment is focused on business and process complexity, the related transaction values and level of system support. The assessment is documented and forms the basis for measures to improve the internal control as well as direct follow-up routines.

At Board level, it is the Audit and Compliance Committee that is responsible for quality assurance of the financial reporting. To ensure that all risks for material financial reporting misstatements are identified and managed properly, the Committee maintains regular contact with responsible managers within SEB and also with the internal and external auditors.

Control activities

The significant risks regarding financial reporting, identified in the risk assessment, are managed through a control structure which in accordance with the COSO framework is divided into three different control categories:

- Entity-wide controls
- Transaction level controls
- General IT controls.

Entity wide controls: The main purpose of entity-wide controls is to establish the expectations of the organisation's control environment and to monitor that these expectations are fulfilled. Examples of entity-wide controls within SEB directly related to the internal control of financial reporting are; Questionnaires & Assertions, Policy Compliance Checklist, New Product Approval Committee and Business Performance Reviews.

Transaction level controls: Transaction level controls are implemented at process level and include a range of activities such as authorisations, reconciliations, reviews etc.

General IT controls: General IT controls include controls over the information technology (IT) environment, computer operations, access to programmes and data, programme development and programme changes. SEB is continuously working with these controls to ensure adequate system access rights and sufficient segregation of duties.

Information and communication

General internal control awareness in SEB has been addressed during the year through a Group wide e-learning programme about operational risk. The internal control awareness regarding financial reporting and specific process and control training is being rolled out continuously to concerned parties.

SEB´s CFO reports the status of the work related to Internal Control over Financial Reporting to the Audit & Compliance Committee quarterly.

Monitoring

Monitoring activities to ensure the effectiveness of Internal Control of Financial Reporting is conducted by the Board of Directors, the President and the Group Executive Committee. The Board continuously receives financial reports and the financial situation of the Group is presented and discussed at the Board meetings.

SEB follows up compliance with policies, guidelines and manuals on a continuous basis as well as the effectiveness of the control structure and the accuracy of the financial reporting. This is done through a combination of ongoing monitoring of key controls, and separate evaluations of the design of the processes and controls that builds up the control structure within SEB. In addition, the Group Internal Audit function reviews the internal control over the financial reporting according to a plan established by the Audit and Compliance Committee. The result of Internal Audit's reviews as well as all measures taken and their current status are regularly reported to the Audit and Compliance Committee.

Financial statements – Contents

Income statements

SEB Group

SEK m	Note	2009	2008	Change, %
Interest income		*63,179*	*97,281*	*–35*
Interest expense		*–43,689*	*–78,571*	*–44*
Net interest income	3	19,490	18,710	4
Fee and commission income		*19,252*	*19,877*	*–3*
Fee and commission expense		*–4,792*	*–4,623*	*4*
Net fee and commission income	4	14,460	15,254	–5
Gains (losses) on financial assets and liabilities held for trading, net		*4,768*	*3,708*	*29*
Gains (losses) on financial assets and liabilities designated at fair value, net		*–122*	*–264*	*–54*
Impairments of available-for-sale financial assets		*–161*	*–474*	*–66*
Net financial income	5	4,485	2,970	51
Premium income, net		*7,313*	*7,126*	*3*
Income investment contracts		*1,042*	*983*	*6*
Investment income, net		*5,504*	*–2,519*	
Other insurance income		*394*	*397*	*–1*
Net insurance expenses		*–10,656*	*–3,612*	*195*
Net life insurance income	6	3,597	2,375	51
Dividends		*116*	*122*	*–5*
Profit and loss from investments in associates		*3*	*77*	*–96*
Gains less losses from investment securities		*–70*	*1,230*	*–106*
Other operating income		*2,132*	*366*	
Net other income	7	2,181	1,795	22
Total operating income		**44,213**	**41,104**	**8**
Staff costs	9	–15,574	–16,241	–4
Other expenses	10	–8,128	–7,642	6
Depreciation, amortisation and impairments of tangible and intangible assets	11	–4,695	–1,524	
Total operating expenses		**–28,397**	**–25,407**	**12**
Profit before credit losses		**15,816**	**15,697**	**1**
Gains less losses on disposals of tangible and intangible assets	12	4	5	–20
Net credit losses	13	–12,448	–3,231	
Operating profit		**3,372**	**12,471**	**–73**
Income tax expense	15	–2,200	–2,421	–9
Net profit from continuing operations		**1,172**	**10,050**	**–88**
Gains less losses from assets held for sale		6		
NET PROFIT		**1,178**	**10,050**	**–88**
Attributable to minority interests		64	9	
Attributable to equity holders		1,114	10,041	–89
Basic earnings per share, SEK	16	0.58	10.36	
Diluted earnings per share, SEK	16	0.58	10.36	

Statement of comprehensive income

	2009	2008	Change, %
Net profit	**1,178**	**10,050**	**–88**
Translation of foreign operations	–187	152	
Available-for-sale financial assets	1,966	–2,624	
Cash flow hedges	–974	1,607	
Other	–749	2,066	
Other comprehensive income (net of tax)	**56**	**1,201**	**–95**
TOTAL COMPREHENSIVE INCOME	**1,234**	**11,251**	**–89**
Attributable to minority interests	60	1	
Attributable to equity holders	1,174	11,250	–90

Balance sheets

SEB Group

31, December, SEK m	Note	2009	2008	Change, %
Cash and cash balances with central banks	19	36,589	44,852	–18
Loans to credit institutions	20	331,460	266,363	24
Loans to the public	21	1,187,837	1,296,777	–8
Securities held for trading		*187,924*	*161,596*	*16*
Derivatives held for trading		*133,230*	*248,426*	*–46*
Derivatives used for hedging		*10,206*	*11,155*	*–9*
Fair value changes of hedged items in a portfolio hedge		*4,026*	*3,503*	*15*
Financial assets – policyholders bearing the risk		*155,486*	*114,425*	*36*
Other financial assets designated at fair value		*90,769*	*96,349*	*–6*
Financial assets at fair value	22	581,641	635,454	–8
Available-for-sale financial assets	23	87,948	163,115	–46
Held-to-maturity investments	24	1,332	1,997	–33
Assets held for sale	53	596	852	–30
Investments in associates	25	995	1,129	–12
Intangible assets		*17,177*	*19,395*	*–11*
Property and equipment		*2,417*	*2,626*	*–8*
Investment properties		*8,176*	*7,490*	*9*
Tangible and intangible assets	27	27,770	29,511	–6
Current tax assets		*3,898*	*3,998*	*–3*
Deferred tax assets		*1,624*	*2,836*	*–43*
Trade and client receivables		*14,637*	*13,402*	*9*
Withheld margins of safety		*17,120*	*30,361*	*–44*
Other assets		*14,780*	*20,055*	*–26*
Other assets	28	52,059	70,652	–26
TOTAL ASSETS		**2,308,227**	**2,510,702**	**–8**
Deposits from credit institutions	29	397,433	429,425	–7
Deposits and borrowing from the public	30	801,088	841,034	–5
Liabilities to policyholders – investment contracts		*155,860*	*115,110*	*35*
Liabilities to policyholders – insurance contracts		*93,149*	*95,960*	*–3*
Liabilities to policyholders	31	249,009	211,070	18
Debt securities	32	456,043	525,219	–13
Trading derivatives		*119,293*	*231,341*	*–48*
Derivatives used for hedging		*9,119*	*8,168*	*12*
Trading liabilities		*61,529*	*54,411*	*13*
Fair value changes of hedged items in portfolio hedge		*1,499*	*1,613*	*–7*
Financial liabilities at fair value	33	191,440	295,533	–35
Current tax liabilities		*1,547*	*1,148*	*35*
Deferred tax liabilities		*10,299*	*9,810*	*5*
Trade and client payables		*16,401*	*9,498*	*73*
Withheld margins of safety		*21,399*	*25,047*	*–15*
Other liabilities		*25,503*	*26,062*	*–2*
Other liabilities	34	75,149	71,565	5
Provisions	35	2,033	1,897	7
Subordinated liabilities	36	36,363	51,230	–29
Total liabilities		**2,208,558**	**2,426,973**	**–9**
Minority interests		252	192	31
Revaluation reserves		*–303*	*–1,295*	*–77*
Share capital		*21,942*	*6,872*	
Other reserves		*34,114*	*32,857*	*4*
Retained earnings		*43,664*	*45,103*	*–3*
Shareholders' equity		99,417	83,537	19
Total equity		**99,669**	**83,729**	**19**
TOTAL LIABILITIES AND EQUITY		**2,308,227**	**2,510,702**	**–8**

Statements of changes in equity

SEB Group

31, December, SEK m	2009	2008	Change, %
Minority interests	252	192	31
Shareholders' equity	99,417	83,537	19
TOTAL EQUITY	**99,669**	**83,729**	**19**

Shareholders' equity

	2009	2008	Change, %
Reserve for cash flow hedges	793	1,767	–55
Reserve for available-for-sale financial assets	–1,096	–3,062	–64
Revaluation reserves	**–303**	**–1,295**	**–77**
Share capital[1]	21,942	6,872	
Fund for cancelled shares	174	174	
Equity fund		5	–100
Translation difference	–412	–225	83
Other restricted reserves	34,352	32,903	4
Equity, restricted	**56,056**	**39,729**	**41**
Swap hedging of employee stock option programme	–369	–371	–1
Eliminations of repurchased shares for employee stock option programme	–1,895	–1,926	–2
Profit brought forward	44,814	37,359	20
Net profit attibutable to equity holders	1,114	10,041	–89
Equity, non-restricte	**43,664**	**45,103**	**–3**
TOTAL	**99,417**	**83,537**	**19**

1) 2,170,019,294 Series A shares (663,004,123); 24,152,508 Series C shares (24,152,508).

Changes in equity

2009	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Shareholder's equity	Minority interests	Total Equity
Opening balance	6,872	75,949	–225	–3,062	1,767	2,236	**83,537**	192	**83,729**
Net profit		1,114					**1,114**	64	**1,178**
Other comprehensive income (net of tax)			–187	1,966	–974	–745	**60**	–4	**56**
Total comprehensive income		**1,114**	**–187**	**1,966**	**–974**	**–745**	**1,174**	**60**	**1,234**
Rights issue	15,070	–397					**14,673**		**14,673**
Swap hedging of employee stock option programme		2					**2**		**2**
Eliminations of repurchased shares for employee stock option programme[2]		31					**31**		**31**
CLOSING BALANCE	**21,942**	**76,699**	**–412**	**–1,096**	**793**	**1,491**	**99,417**	**252**	**99,669**

2008	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Shareholder's equity	Minority interests	Total Equity
Opening balance	6,872	70,149	–377	–438	160	162	**76,528**	191	**76,719**
Net profit		10,041					**10,041**	9	**10,050**
Other comprehensive income (net of tax)			152	–2,624	1,607	2,074	**1,209**	–8	**1,201**
Total comprehensive income		**10,041**	**152**	**–2,624**	**1,607**	**2,074**	**11,250**	**1**	**11,251**
Dividend to shareholders[1]		–4,451					**–4,451**		**–4,451**
Swap hedging of employee stock option programme		27					**27**		**27**
Eliminations of repurchased shares for employee stock option programme[2]		183					**183**		**183**
CLOSING BALANCE	**6,872**	**75,949**	**–225**	**–3,062**	**1,767**	**2,236**	**83,537**	**192**	**83,729**

1) Dividend per A-share SEK 1.00 (0.00) and per C-share SEK 1.00 (0.00). Further information can be found in The SEB share on page 18–19.

2) SEB has repurchased 19.4 million Series A shares for the long-term incentive programmes as decided at the Annual General Meetings in 2002, 2003 and 2004. The acquisition cost for these shares is deducted from shareholders' equity. In 2005 1.0 million shares were transferred from the capital structure programme to the incentive programmes and in 2006 3.1 million shares were sold in accordance with a decision at the Annual General Meeting. As stock options have been exercised during 2005–2008 15.2 million shares have been sold and another 1.4 million shares in 2009. Thus, as of 31 December 2009 SEB owned 0.8 million Class A-shares with a market value of SEK 36m.

Cash flow statements

SEB Group

SEK m	2009	2008	Change, %
Interest received	67,863	98,300	–31
Interest paid	–46,981	–77,218	–39
Commission received	19,252	19,877	–3
Commission paid	–4,792	–4,623	4
Net received from financial transactions	11,708	2,483	
Other income	5,770	4,187	38
Paid expenses	–26,193	–28,380	–8
Taxes paid	–2,200	–2,421	–9
Cash flow from the profit and loss statement	24,427	12,205	100
Increase (–)/decrease (+) in portfolios	37,968	–12,646	
Increase (+)/decrease (–) in issued short-term securities	–56,037	13,276	
Increase (–)/decrease (+) in lending to credit institutions	–37,493	38,890	–196
Increase (–)/decrease (+) in lending to the public	83,627	–162,529	–151
Increase (+)/decrease (–) in liabilities to credit institutions	–31,340	9,208	
Increase (+)/decrease (–) in deposits and borrowings from the public	–39,229	87,815	–145
Increase (–)/decrease (+) in insurance portfolios	–312	234	
Change in other balance sheet items	–56,067	–2,894	
Cash flow from operating activities	**–74,456**	**–16,441**	
Sales of shares and bonds	239	1,236	–81
Sales of intangible and tangible fixed assets	4	6	–33
Dividends	116	122	–5
Investments in subsidiaries[2]		–1,040	–100
Investments in shares and bonds	610	–534	
Investments in intangible and tangible assets	–974	–5,840	–83
Cash flow from investing activities	**–5**	**–6,050**	**–100**
Issue of securities and new borrowings	240,498	107,349	124
Repayment of securities	–266,581	–100,230	166
Rights issue	15,070		
Dividend paid		–4,466	
Cash flow from financing activities	**–11,013**	**2,653**	
NET CHANGE IN CASH AND CASH EQUIVALENTS	**–85,474**	**–19,838**	
Cash and cash equivalents at beginning of year	175,147	194,985	–10
Net increase in cash and cash equivalents	–85,474	–19,838	
CASH AND CASH EQUIVALENTS AT END OF PERIOD[1]	**89,673**	**175,147**	**–49**

1) Cash and cash equivalents at end of period is defined as Cash and cash balances with central banks (note 19) and Loans to credit institutions – payable on demand (note 20).

2) Investments in subsidiaries

Cash	
Loans from customers	1,749
Other assets	353
Due to customers	–1,754
Other liabilities	–155
Goodwill	847
TOTAL PURCHASE CONSIDERATION PAID	**1,040**
Cost of acquisition	–1,040
Less cash acquired	
CASH OUTFLOW ON ACQUISITION	**–1,040**

Income statements

In accordance with the Swedish Financial Supervisory Authority regulations

Skandinaviska Enskilda Banken

SEK m	Note	2009	2008	Change, %
Interest income	3	33,420	59,786	–44
Leasing income	3	5,800	6,372	–9
Interest expense	3	–24,151	–52,987	–54
Dividends	7	2,757	2,715	2
Fee and commission income	4	7,851	7,473	5
Fee and commission expense	4	–1,636	–1,479	11
Net financial income	5	4,065	3,236	26
Other income	7	2,811	2,934	–4
Total operating income		**30,917**	**28,050**	**10**
Administrative expenses	8	–12,117	–13,304	–9
Depreciation, amortisation and impairments of tangible and intangible assets	11	–5,125	–4,820	6
Total operating expenses		**–17,242**	**–18,124**	**–5**
Profit before credit losses		**13,675**	**9,926**	**38**
Net credit losses	13	–984	–773	27
Impairment of financial assets	7	–1,222	–121	
Operating profit		**11,469**	**9,032**	**27**
Appropriations	14	–1,510	–2,117	–29
Tax for the year	15	–1,451	–4	
Other taxes	15	–1,544	1,304	
NET PROFIT		**6,964**	**8,215**	**–15**

Statement of comprehensive income

Net profit	**6,964**	**8,215**	**–15**
Translation of foreign operations	–96	–195	
Available-for-sale financial assets	1,053	–2,177	
Cash flow hedges	–965	1,547	
Group contributions net after tax	662	500	
Other	146	–422	
Other comprehensive income (net of tax)	**800**	**–747**	
TOTAL COMPREHENSIVE INCOME	**7,764**	**7,468**	**4**

Balance sheets

Skandinaviska Enskilda Banken

31, December, SEK m	Note	2009	2008	Change, %
Cash and cash balances with central banks	19	21,815	10,670	104
Loans and receivables to credit institutions	20	376,223	349,073	8
Loans and receivables to the public	21	732,475	768,737	–5
Securities held for trading		*168,734*	*131,253*	*29*
Derivatives held for trading		*123,753*	*242,882*	*–49*
Derivatives used for hedging		*12,111*	*12,576*	*–4*
Other financial assets designated at fair value		*77*	*91*	*–15*
Financial assets at fair value	22	304,675	386,802	–21
Available-for-sale financial assets	23	16,331	26,897	–39
Held-to-maturity investments	24	3,789	3,263	16
Investments in associates	25	907	1,011	–10
Shares in subsidiaries	26	59,325	60,063	–1
Intangible assets		*1,353*	*1,335*	*1*
Property and equipment		*40,001*	*40,077*	
Tangible and intangible assets	27	41,354	41,412	
Current tax assets		*1,228*	*1,072*	*15*
Deferred tax assets			*1,338*	*–100*
Trade and client receivables		*12,425*	*12,317*	*1*
Withheld margins of safety		*17,120*	*30,361*	*–44*
Other assets		*8,249*	*15,484*	*–47*
Other assets	28	39,022	60,572	–36
TOTAL ASSETS		**1,595,916**	**1,708,500**	**–7**
Deposits from credit institutions	29	386,530	410,105	–6
Deposits and borrowing from the public	30	490,850	453,697	8
Debt securities	32	368,784	394,246	–6
Trading derivatives		*114,130*	*225,829*	*–49*
Derivatives used for hedging		*3,995*	*4,254*	*–6*
Trading liabilities		*58,479*	*49,429*	*18*
Financial liabilities at fair value	33	176,604	279,512	–37
Current tax liabilities		*724*	*94*	
Trade and client payables		*14,146*	*8,001*	*77*
Withheld margins of safety		*21,399*	*25,047*	*–15*
Other liabilities		*12,617*	*22,515*	*–44*
Other liabilities	34	48,886	55,657	–12
Provisions	35	496	789	–37
Subordinated liabilities	36	35,498	50,199	–29
Total liabilities		**1,507,648**	**1,644,205**	**–8**
Untaxed reserves	37	**22,645**	**21,136**	**7**
Revaluation reserves		*–760*	*–848*	*–10*
Share capital		*21,941*	*6,872*	
Other reserves		*12,260*	*12,260*	
Retained earnings		*32,182*	*24,875*	*29*
Shareholders' equity		**65,623**	**43,159**	**52**
TOTAL LIABILITIES, UNTAXED RESERVES AND SHAREHOLDERS' EQUITY		**1,595,916**	**1,708,500**	**–7**

Statements of changes in equity

Skandinaviska Enskilda Banken

31, December, SEK m	2009	2008	Change, %
Reserve for cash flow hedges	772	1,737	–56
Reserve for available-for-sale financial assets	–1,532	–2,585	–41
Revaluation reserves	**–760**	**–848**	**–10**
Share capital[1]	21,942	6,872	0
Reserve fund and other restricted reserves	12,086	12,086	0
Fund for cancelled shares	174	174	0
Equity, restricted	**34,202**	**19,132**	**79**
Group contributions	898	694	29
Tax on Group contributions	–236	–194	22
Swap hedging of employee stock option programme	–374	–371	1
Eliminations of repurchased shares for employee stock option programme	–1,896	–1,926	–2
Translation differencies	–364	–268	38
Profit brought forward	27,189	18,725	45
Net profit for the year	6,964	8,215	–15
Equity, non-restricted	**32,181**	**24,875**	**29**
TOTAL	**65,623**	**43,159**	**52**

1) 2,170,019,294 Series A shares (663,004,123); 24,152,508 Series C shares (24,152,508).

Changes in equity

2009	Share capital	Restricted reserves	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total
Opening balance	6,872	12,260	25,065	–268	–2,585	1,737	78	**43,159**
Net profit			6,964					**6,964**
Other comprehensive income (net of tax)			78	–96	1,053	–965	730	**800**
Total comprehensive income			**7,042**	**–96**	**1,053**	**–965**	**730**	**7,764**
Rights issue	15,070		–397					**14,673**
Group contributions net after tax[2]								
Swap hedging of employee stock option programme			–3					**–3**
Eliminations of repurchased shares for employee stock option programme[3]			30					**30**
CLOSING BALANCE	**21,942**	**12,260**	**31,737**	**–364**	**–1,532**	**772**	**808**	**65,623**

2008	Share capital	Restricted reserves	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total
Opening balance	6,872	12,260	19,869	–73	–408	190	1,222	**39,932**
Net profit			8,215					**8,215**
Other comprehensive income (net of tax)			1,222	–195	–2,177	1,547	–1,144	**–747**
Total comprehensive income			**9,437**	**–195**	**–2,177**	**1,547**	**–1,144**	**7,468**
Dividend to shareholders[1]			–4,451					**–4,451**
Group contributions net after tax[2]								
Swap hedging of employee stock option programme			27					**27**
Eliminations of repurchased shares for employee stock option programme[3]			183					**183**
CLOSING BALANCE	**6,872**	**12,260**	**25,065**	**–268**	**–2,585**	**1,737**	**78**	**43,159**

1) Dividend per A-share SEK 1.00 (0.00) and per C-share SEK 1.00 (0.00). Further information can be found in The SEB share on page 18–19.
2) Group contributions are reported in the parent company directly under Shareholders' equity.
3) SEB has repurchased 19.4 million Series A shares for the long-term incentive programmes as decided at the Annual General Meetings in 2002, 2003 and 2004. The acquisition cost for these shares is deducted from shareholders' equity. In 2005 1.0 million shares were transferred from the capital structure programme to the incentive programmes and in 2006 3.1 million shares were sold in accordance with a decision at the Annual General Meeting. As stock options have been exercised during 2005–2008 15.2 million shares have been sold and another 1.4 million shares in 2009. Thus, as of 31 December 2009 SEB owned 0.8 million Class A-shares with a market value of SEK 36m.

Cash flow statements

Skandinaviska Enskilda Banken

SEK m	2009	2008	Change, %
Interest received	44,097	66,599	–34
Interest paid	–25,990	–53,129	–51
Commission received	7,796	7,414	5
Commission paid	–1,435	–1,162	23
Net received from financial transactions	9,461	–2,647	
Other income	3,538	1,887	87
Paid expenses	–13,985	–11,387	23
Taxes paid	296	–356	–183
Cash flow from the profit and loss statement	**23,778**	**7,219**	**0**
Increase (–)/decrease (+) in trading portfolios	1,830	13,209	–86
Increase (+)/decrease (–) in issued short-term securities	–58,701	–31,863	84
Increase (–)/decrease (+) in lending to credit institutions	–134,596	42,460	
Increase (–)/decrease (+) in lending to the public	18,497	–72,892	–125
Increase (+)/decrease (–) in liabilities to credit institutions	–22,757	42,893	–153
Increase (+)/decrease (–) in deposits and borrowings from the public	37,463	41,382	–9
Change in other balance sheet items	20,064	–53,432	–138
Cash flow from operating activities	**–114,422**	**–11,024**	**0**
Sales of shares and bonds			
Dividends and Group contributions	3,609	3,391	6
Investments in subsidiaries/Merger of subsidiaries	–484	–1,648	–71
Investments/divestments in shares and bonds	–183	85	
Investments in intangible and tangible assets	–5,067	–10,709	–53
Cash flow from investment activities	**–2,125**	**–8,881**	**–76**
Issue of securities and new borrowings	66,062	106,626	–38
Repayment of securities	–46,811	–81,895	–43
Dividend paid		–4,452	
Rights issue	15,070		100
Cash flow from financing activities	**34,321**	**20,279**	**69**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**–82,226**	**374**	**0**
Cash and cash equivalents at beginning of year	140,141	139,767	
Net increase in cash and cash equivalents	–82,226	374	
CASH AND CASH EQUIVALENTS AT END OF PERIOD[1)]	**57,915**	**140,141**	**–59**

1) Cash and cash equivalents at end of period is defined as Cash and cash balances with central banks (note 19) and Loans to credit institutions – payable on demand (note 20).

Notes to the financial statements

SEK m, unless otherwise stated.

Corporate information

The SEB Group provides corporate, retail, investment and private banking services. The Group also provides asset management and life insurance services.

Skandinaviska Enskilda Banken AB (publ.) is the parent company of the Group. The parent company is a Swedish limited liability company with its registered offices in Stockholm, Sweden.

The parent company is included in the Large Cap segment of the Stockholm Stock Exchange.

The consolidated accounts for the financial year 2009 were approved for publications by the Board of Directors on 25 February and will be presented for adoption at the 2010 Annual General Meeting.

1 Accounting policies

SIGNIFICANT ACCOUNTING POLICIES FOR THE GROUP

Statement of compliance
The Group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the European Commission. The accounting follows the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulation and general guidelines issued by the Swedish Financial Supervisory Authority, Annual reports in credit institutions and securities companies (FFFS 2008:25). In addition to this the Supplementary accounting rules for groups (RFR 1.2) from the Swedish Financial Reporting Board have been applied.

Basis of preparation
The consolidated accounts are based on amortised cost, except for the fair value measurement of available-for-sale financial assets, financial assets and liabilities measured at fair value through profit or loss including derivatives. The financial statements are presented in Swedish kronor (SEK), which is the presentation currency of the Group.

Consolidation
Subsidiaries
The consolidated accounts combine the financial statements of the parent company and its subsidiaries. Subsidiaries are companies, over which the parent company has control and consequently the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Such influence is deemed to exist when, amongst other circumstances, the parent company holds, directly or indirectly, more than 50 per cent of the voting power of an entity. Companies in which the parent company or its subsidiary hold more than 50 % of the votes, but are unable to exercise control due to contractual and legal reasons, are not included in the consolidated accounts.

The financial statements of the parent company and the consolidated subsidiaries refer to the same period and have been drawn up according to the accounting policies applicable to the Group. A subsidiary is included in the consolidated accounts from the time of acquisition, being the date when the parent company gains control over the subsidiary. The subsidiary is included in the consolidated accounts until the date when control over the company ceases to exist.

The consolidated accounts are prepared in accordance with the acquisition method. The cost of an acquisition, including directly attributable costs, is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed.

The identifiable assets acquired and the liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition date, irrespective of any minority interest. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable acquired net assets is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly against profit or loss.

Goodwill is allocated between the cash-generating units or groups of units which are expected to gain benefits from an acquisition through synergies. The cash-generating units to which goodwill is allocated correspond to the lowest level within the Group in which goodwill is monitored for internal management purposes.

The useful life of each individual intangible asset is determined though the useful life of goodwill is indefinite. For information regarding amortisation and impairment, see further comments under intangible assets.

Intra-group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. The minority share of the results in subsidiaries is included in the reported results in the consolidated profit and loss account, while the minority share of net assets is included in equity.

Associated companies
The consolidated accounts also include associated companies that are companies in which the Group has significant influence, but not control. Significant influence means that the Group can participate in the financial and operating policy decisions of the company, whilst not determining or controlling such financial and operating policies. A significant influence is generally deemed to exist if the Group, directly or indirectly, holds between 20 and 50 per cent of the voting rights of an entity.

According to the main principle, associated companies are consolidated in accordance with the equity method. This means that the holding is initially reported at its acquisition cost. The associate company is subsequently carried at a value that corresponds to the Group's share of the net assets. However, the Group has chosen to designate investments in associates held by the Group's venture capital organisation at fair value through profit or loss on the basis that these are managed and evaluated based on fair value.

Special Purpose Entities
Special Purpose Entities (SPE) are consolidated when the substance of the relationship between the Group and the entity indicates control. Potential indicators of control include, amongst others, an assessment of the Group's exposure to the risk and benefits of the SPE.

Segment reporting
An operating segment is identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's chief operating decision maker is the Group Executive Committee.

Foreign currency translation
Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions. On subsequent balance sheet dates monetary items in foreign currency are translated using the closing rate. Non-monetary items, which are measured in terms of historical cost in foreign currency, are translated using the exchange rate on the date of the transaction. Non-monetary items, which are measured at fair value in a foreign currency, are translated applying the exchange rate on the date on which the fair value is determined.

Gains and losses arising as a result of exchange rate differences on settlement or translation of monetary items are recognised in profit or loss. Translation differences on non-monetary items, classified as financial assets or financial liabilities at fair value through profit or loss, are included in the change in fair value of those items. Translation differences from non-monetary items, classified as available for sale financial assets, are recognised in other comprehensive income. Exchange rate differences referring to monetary items comprising part of a net investment in a foreign operation are reported in the same way.

The income statements and balance sheets of Group entities, with a functional currency other than the Group's presentation currency, are translated to Swedish kronor (SEK) in the consolidated accounts. Assets and liabilities in foreign Group entities are translated at closing rate and income and expenses in the income statement are translated at the average exchange rate for the year. Resulting exchange rate differences are recognised as a separate component of other comprehensive income.

Goodwill arising in conjunction with acquisitions of foreign Group entities, as well as adjustments to the fair value of assets and liabilities made in conjunction with acquisitions is included in assets and liabilities in the foreign entity in question and is translated to the presentation currency at closing rate.

Financial assets and liabilities

Financial assets

Financial assets are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument and are measured at fair value on initial recognition. Transaction costs are included in the fair value on initial recognition except for financial assets designated at fair value through profit or loss where transaction costs are expensed in the profit and loss statement. Financial assets are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all risks and rewards. Transfers of financial assets with retention of all or substantially all risks and rewards include for example repurchase transactions and securities lending transactions.

The Group classifies its financial assets in the following categories: financial instruments at fair value through profit or loss; loans and receivables; held to maturity investments and available for sale financial assets.

Trade date accounting is applied to financial assets classified in the categories, financial assets at fair value through profit or loss and available for sale financial assets. Settlement date accounting is applied to the other categories of financial assets.

Financial instruments at fair value through profit and loss

Financial assets at fair value through profit or loss consist of financial assets classified as held for trading and financial assets which, upon initial recognition, have been designated at fair value through profit or loss (Fair Value Option). Financial assets are classified as held for trading if they are held with the intention to be sold in the short-term and for the purpose of generating profits. Derivatives are classified as held for trading unless designated as hedging instruments.

The Fair Value Option can be applied to contracts including one or more embedded derivatives, investments that are managed and evaluated on a fair value basis and situations in which such designation reduces measurement inconsistencies. The nature of the financial assets and financial liabilities which have been designated at fair value through profit or loss and the criteria for such designation are described in the relevant notes to the financial statements.

Financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value are reported in the income statement on an ongoing basis under the item Net income from financial transactions.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are measured at amortised cost using the effective interest method.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets designated with the intention and ability to hold until maturity. This category consists of financial assets with fixed or determinable payments and fixed maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method.

Available-for-sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified into any of the other categories described above. Available for sale financial assets are measured at fair value. Gains and losses arising from changes in fair value are reported in the revaluation reserve in other comprehensive income and accumulated in the revaluation reserve in equity. In the case of sale or impairment of an available for sale financial asset, the accumulated gains or losses previously reported in equity are recognised in profit or loss. Interest on interest-bearing available for sale financial assets is recognised in profit or loss, applying the effective interest method. Dividends on equity instruments, classified as available for sale, are also recognised in profit or loss.

Investments in equity instruments without a quoted market price in an active market are measured, if possible, at fair value on the basis of a recognised valuation method. Investments in equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Reclassification

In rare circumstances non-derivative trading financial assets that are no longer held for the purpose of selling it in the near term may be reclassified out of the fair value through profit or loss category. Financial assets held in the available for sale category may be reclassified to loans and receivables or held to maturity if SEB has the intention and ability to hold the financial asset for the foreseeable future or until maturity. The reclassified assets must meet the definition of the category to which it is reclassified at the reclassification date. The prerequisite to reclassify to held to maturity is an intent and ability to hold to maturity.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new amortised cost. Effective interest rates for financial assets reclassified to loans and receivables and held to maturity categories are determined at the reclassification date. Increases in estimates of cash flows of reclassified financial assets adjust effective interest rates prospectively, whereas decreases in the estimated cash flows are charged to the profit or loss.

Financial liabilities

Financial liabilities are measured at fair value on initial recognition. In the case of financial liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or the issuance of the financial liability are recognised in profit or loss. For other financial liabilities direct transaction cost are recognised as a deduction from the fair value.

Financial liabilities are derecognised when extinguished, that is, when the obligation is discharged, cancelled or expired.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are either classified as held for trading or designated as fair value through profit or loss on initial recognition (Fair Value Option). The criteria for classification of financial liabilities under the Fair Value Option are the same as for financial assets. Financial liabilities held for trading are primarily short positions in interest-bearing securities and equities and derivatives. After initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value are reported in the income statement on an ongoing basis under the item Net income from financial transactions.

Other financial liabilities

The category other financial liabilities primarily include the Group's short-term and long-term borrowings. After initial recognition other financial liabilities are measured at amortised cost, using the effective interest method.

Offsetting financial transactions

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legal right to offset transactions and an intention to settle net or realise the asset and settle the liability simultaneously.

Fair value measurement

The fair value of financial instruments quoted in an active market, for example quoted derivatives, financial assets and financial liabilities held for trading, and available for sale financial assets, is based on quoted market prices. The current bid price is used for financial assets and the current offer price for financial liabilities considering offsetting positions.

The fair value of financial instruments that are not quoted in an active market is determined by applying various valuation techniques with maximum use of observable market inputs. The valuation techniques used are discounted cash flows, option pricing models, valuations with reference to recent transactions in the same instrument and valuations with reference to other financial instruments that are substantially the same.

The difference between the transaction price and the fair value calculated using a valuation technique, the Day 1 profit, is amortised over the life of the transaction. Day 1 profit is recognised when either realised through settlement or variables used to calculate fair value are based on market observable prices or rates.

Embedded derivatives

Some combined contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract, and the host contract itself is not carried at fair value through profit or loss, the embedded derivative is bifurcated and reported at fair value with gains and losses being recognised in the income statement.

Certain combined instruments are classified as financial asset or financial liability at fair value through profit or loss according to the fair value option. The designation implies that the entire combined instrument is measured at fair value through profit and loss.

Hedge accounting

Derivatives are used to hedge interest rate, exchange rate, and equity exposures. Where derivatives are held for risk management purposes, and when transactions meet the required criteria, the Group applies fair value hedge accounting, cash flow hedge accounting, or hedging of a net investment in a foreign operation as appropriate to the risks being hedged. The Group documents and designates at inception the relationship between hedged item and hedging instrument as well as the risk objective and hedge strategy. The Group also documents its assessment both at inception and on an ongoing basis whether prospectively the derivatives used are expected to be, and are highly effective when assessed retrospectively, in offsetting changes in fair values or cash flows of the hedged item. The Group also assesses and documents that the likelihood of forecasted transactions to take place is highly probable.

Hedge accounting is applied to derivatives used to reduce risks such as interest rate risks and currency risks in financial instruments and net investments in subsidiaries. The Group applies different hedge accounting models depending on the purpose of the hedge.
– Hedges of fair value of recognised assets or liabilities or firm commitments (fair value hedge)
– Hedges of the fair value of the interest risk of a portfolio (portfolio hedge)
– Hedges of highly probable future cash flows attributable to recognised assets or liabilities or a forecasted transaction (cash flow hedge)
– Hedges of a net investment in a foreign operation (net investment hedge).

The Group discontinues hedge accounting when:
– The derivative is not, or has ceased to be, highly effective as a hedge;
– The derivative expires, or is sold, terminated, or exercised;
– The hedged item matures or is sold or repaid; or
– The forecast transaction is no longer deemed highly probable.

Fair value hedge
Fair value hedges are used to protect the Group against undesirable exposures to changes in the market prices of recognised assets or liabilities. Changes in fair value of derivatives that qualify and are designated as fair value hedges are recorded in the income statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Where the Group hedges the fair value of interest rate exposure in a portfolio including financial assets or financial liabilities, so called portfolio hedging of interest rate risk, the gains or losses attributable to the hedged item are reported as a separate item under assets or as a separate item under liabilities in the balance sheet.

When hedge relationships are discontinued, any adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to maturity of the hedged item.

Cash flow hedge
Cash flow hedging is applied for the hedging of exposure to variations in future interest payments on assets or liabilities with variable interest rates. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss.

Gains or losses on hedging instruments reported that have been accumulated in equity are recognised in profit or loss in the same period as interest income and interest expense from the hedged asset or liability.

When cash flow hedges are discontinued but future cash-flows still are expected to occur, accumulated gains or losses from the hedging instrument will remain as a separate item in equity. Accumulated gains or losses are subsequently reported in profit or loss in the same period in which the previously hedged interest flows are recognised in profit or loss.

Net investment hedge
Hedge accounting is applied to net investments in foreign subsidiaries. Foreign currency loans constitute the major portion of hedging instruments in these hedging transactions. The translation differences arising when the hedging instruments are translated to the presentation currency are also recognised as translation differences in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences accumulated equity are recognised in the income statement as part of the gain or loss on the sale.

Interest income and interest expense
The effective interest rate method is applied to recognise interest income and interest expenses in profit or loss for financial assets and financial liabilities measured at amortised cost.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income and interest expenses. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. When calculating future payments, all payments included in the terms and conditions of the contracts, such as advance payments, are taken into consideration. However, future credit losses are not taken into account. The calculation of effective interest rate includes fees and points to be received and paid that are an integral part of the effective interest rate, transaction costs and other premiums and discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is subsequently recognised applying the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Commissions and fees
Commission income and income in the form of fees on financial instruments are accounted for differently, depending upon the financial instrument from which the income is derived. When commission income and fees are included in the calculation of the effective interest rate of a financial instrument measured at amortised cost, such interest and fees are usually allocated over the expected tenor of the instrument applying the effective interest rate method.

Commission income and fees from asset management and advisory services are reported in accordance with the economic substance of each agreement. This income is usually recognised during the period in which the service is provided. Commission and fees from negotiating a transaction for a third party, such as arrangement of acquisitions or purchase or sale of a business, is recognised on completion of the transaction. Performance-based fees are reported when the income can be reliably calculated.

Fees from loan syndications in which SEB acts as arranger are reported as income when the syndication is completed and the Group has retained no part of the loan or retained a part at the same effective interest rate as other participants.

Dividend income
Dividends are recognised when the entity's right to receive payment is established.

Repurchase agreements
Securities may be lent or sold subject to a commitment to repurchase them (a 'repo'). Such securities are retained on the balance and the counterparty liability is included separately on the balance sheet as collateral pledged when cash consideration is received. Depending on the counterparty, payment received is recognised under Deposits by credit institutions or as Deposits and borrowing from the public.

Similarly, where the Group borrows or purchases securities subject to a commitment to resell them (a 'reverse repo') the securities are not included in the balance sheet. Payment made is recognised under Loans to credit institutions or as Loans to the public.

The difference between sale and repurchase price is accrued over the life of the agreements using the effective interest method.

Securities borrowing and lending
Securities borrowing and lending transactions are entered into on a collateralised basis. Fair values of securities received or delivered are monitored on a daily basis to require or provide additional collateral. Cash collateral delivered is derecognised with a corresponding receivable and cash collateral received is recognised with a corresponding obligation to return it. Securities lent remain on the balance sheet and are reported as pledged assets. Borrowed securities are not recognised as assets. When borrowed securities are sold (short position), an amount corresponding to the fair value of the securities is entered as a liability. Securities received in a borrowing or lending transaction are disclosed as off-balance sheet items.

Impairment of financial assets
All financial assets, except those classified at fair value through profit or loss, are tested for impairment.

At each balance sheet date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset, and if that loss event will have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

Examples of objective evidence that one or more events have occurred which may affect estimated future cash flows include:
– significant financial difficulty of the issuer or obligor,
– concession granted to the borrower as a consequence of financial difficulty, which normally would not have been granted to the borrower,
– a breach of contract, such as a default or delinquency in the payment of interest or principal,
– the probability that the borrower will go bankrupt or undergo some other kind of financial reconstruction,
– deterioration in the value of collateral and
– a significant or prolonged decline in the fair value of an equity instrument below its cost.

An impairment loss is reported as a write off, if it is deemed impossible to collect the contractual amounts due that have not been paid and/or are expected to remain unpaid, or if it is deemed impossible to recover the acquisition cost by selling any collateral provided. In other cases, a specific provision is recorded in an allowance account. As soon as the non-collectible amount can be determined and the asset is written off, the amount reported in the allowance account is dissolved. Similarly, the provision in the allowance account is reversed if the estimated recovery value exceeds the carrying amount.

Appraisal of impairment
Individual appraisal of impairment
The following events are applied to establish objective evidence of impairment of individually appraised assets. Material breach of contract occurs when scheduled payments are past due by more than 60 days. The debt instrument is impaired if the cash flow or liquidity projections including the value of the collateral do not cover outstanding exposure. Quoted debt instruments are in addition subject to appraisal for impairment if there is a significant decline in fair value or rating to establish that no change is expected in cash flows. Equity instruments are considered impaired when a significant or prolonged decline in the fair value is recognised.

Collective appraisal of impairment when assets are not individually impaired
Assets appraised for impairment on an individual basis and found not impaired are included in a collective appraisal of incurred but not identified impairment. The collective appraisal of incurred but not identified credit losses is based on the SEB counterpart rating scale.

Loans appraised on a portfolio basis
Loans with limited value and similar risk, homogenous groups, are appraised for impairment on a portfolio basis. In assessing collective impairment the Group uses statistical models based on the probability of default and the amount of loss incurred, considering collaterals and recovery rates. The outcome is adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by the models. Default rates and loss rates are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Recognition of impairment loss on assets carried at amortised cost
An impairment of an individually assessed financial asset in the category loans and receivables or in the category held to maturity investments carried at amortised cost is calculated on the basis of the original effective interest rate of the financial instrument. The amount of the impairment is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (recoverable amount). If the terms of an asset are renegotiated or otherwise modified due to financial difficulties on behalf of the borrower or issuer, impairment is measured using the original effective interest rate before modification of the terms and conditions. Cash flows relating to short-term receivables are not discounted if the effect of the discounting is immaterial. The entire, outstanding amount of each loan for which a specific provision has been established is included in impaired loans, i.e. including the portion covered by collateral.

Impairment loss on Available for sale financial assets
When a decline in the fair value is recognised and there is objective evidence of impairment in an available for sale financial instrument, the accumulated loss shall be reclassified from equity to profit or loss. The amount of the accumulated loss that is transferred from equity and recognised in profit or loss is equal to the difference between the acquisition cost and the current fair value, with a deduction of any impairment losses on that financial asset which had been previously recognised in profit or loss.

The incurred impairment of unquoted equities, measured at acquisition cost, is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar equities.

Impairment losses on bonds or other interest-bearing instruments classified as available-for-sale are reversed via profit or loss if the increase in fair value can be objectively attributed to an event taking place subsequent to the write down. Impairment losses for equity instruments classified as available for sale are not reversed through profit or loss following an increase in fair value but recognised in other comprehensive income.

Renegotiated loans
Renegotiated loans are no longer considered to be past due if performing according to the new terms and conditions.

Seized assets
Seized assets are seized as part of an impairment procedure to compensate for losses in an asset. Seized asset are valued at fair value at inception and the intention is to dispose of the asset. Seized assets are subsequently recognised and measured in the same way as other assets of the same type.

Tangible fixed assets
Tangible fixed assets, with the exception of investment properties held in insurance operations, are measured at cost and are depreciated according to plan on a straight line basis over the estimated useful life of the asset. The maximum depreciation period for buildings is 50 years. The depreciation period for other tangible fixed assets is between 3 and 8 years.

Tangible fixed assets are tested for impairment whenever there is an indication of impairment.

Leasing
Leasing contracts are specified as finance or operating leases.

A finance lease is a lease that transfers, from the lessor to the lessee, substantially the entire risks and rewards incidental to the ownership of an asset. Operational leasing contracts are those leases which are not regarded as finance leases. In the Group, essentially all leasing contracts in which the Group is the lessor are classified as finance leases. Finance leases are reported as lending, which implies that the leasing income is reported as interest income.

Investment properties
Investments in properties held in order to receive rental income and/or for capital appreciation are reported as investment properties. The recognition and measurement of such properties differs, depending upon the entity owning the property. Investment properties held in the insurance operations, used to match liabilities providing a yield directly associated with the fair values of specified assets, including the investment properties themselves, are accounted for using the fair value model. Holdings of investment properties in the banking operations are valued at depreciated cost.

Intangible assets
Intangible assets are identifiable, non-monetary assets without physical substance. For an intangible asset to be recognised an entity must be able to demonstrate control of the intangible asset, which implies that the entity has the ability to ensure that the future economic benefits flowing from the underlying resource will accrue to the company. Intangible assets, other than goodwill, are only recognised in the balance sheet if it is probable that the future economic benefits attributable to the asset will accrue to the Group and if the acquisition cost of the asset can be measured in a reliable manner.

Intangible assets are measured initially at acquisition cost, and thereafter at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised on a straight line basis over their useful lives and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Customer lists are amortised over 20 years and internally generated intangible assets, such as software development, are amortised over a period of between 3 and 8 years.

Intangible assets with indefinite useful lives, such as goodwill, are not amortised but tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. As regards goodwill, an impairment loss is recognised in profit or loss whenever the carrying amount, with respect to a cash-generating unit or a group of cash-generating units to which the goodwill is attributed, exceeds the recoverable amount. Impairment losses attributable to goodwill are not reversed, regardless of whether the cause of the impairment has ceased to exist.

The recoverable amount of an intangible asset is determined if there is indication of a reduction in the value of the asset. An impairment loss is recognised if the carrying amount exceeds the recoverable amount of the asset.

Provisions
Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provision is made for undrawn loan commitments and similar facilities if it is probable that the facility will be drawn by a debtor in financial difficulties.

Provisions are evaluated at each balance sheet date and are adjusted as necessary.

Financial guarantees
Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee.

The guarantee liability is subsequently carried at the higher of this amortised amount and the best estimate of the expenditure required to settle any financial obligation arising as a result of the guarantee at the balance sheet date.

Employee benefits

Pension obligations

Depending upon local conditions, there are both defined benefit and defined contribution pension plans within the Group. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will get on retirement depending on factors as age, years of service and compensation. A defined contribution pension is a pension plan where the Group pays a contribution to a separate entity and has no further obligation once the contribution is paid.

The pension commitments of the Group with respect to defined benefit plans are covered by the pension funds of the Group, through insurance solutions or through provisions in the balance sheet. Pensions are recognised and measured in accordance with IAS 19, Employee Benefits. Defined benefit pension plans are calculated at present value according to the actuarial method called the Projected Unit Credit Method. The assumptions upon which the calculations are based are found in the note addressing staff costs. Cumulative actuarial gains and losses are recognised in profit or loss to the extent they exceed the greatest of 10 per cent of pension commitments and plan assets at the beginning of the reporting period. Amounts outside this corridor are reported in profit or loss over the employees' expected average remaining working lives. Pension commitments and any special plan assets are consolidated on a net basis per unit in the balance sheet.

Pension costs for defined contribution pension plans are carried as an expense on a continuous basis in line with the pension rights earned by the individual concerned.

Share-based payments

Group company employees receive compensation through share-based incentive programmes. The compensation consists of employee stock options (equity instruments), entitling the holder to subscribe for shares in the parent company at a future date and at a predetermined price.

The total value of issued stock options is amortised over the vesting period. The vesting period is comprised of the period from the date on which the options are issued until the stipulated vesting conditions are satisfied. The total value of issued stock options equals the fair value per option, multiplied by the number of options that are expected to become exercisable, taking the vesting conditions into consideration. The allocation of this amount implies that profit and loss are impacted at the same time as the corresponding increase in equity is recognised. At each balance sheet date an assessment is made to determine if the vesting conditions will be fulfilled and the extent to which they will be fulfilled. If the conclusion of this assessment is that a lower number of options are expected to be vested during the vesting period, then the previously expensed amounts are reversed through profit or loss. This implies that in cases in which the vesting conditions are not fulfilled, no costs will be reported in profit or loss, seen over the entire vesting period.

The employee stock option programmes are hedged through the repurchase of own equity instruments (treasury shares) or through contracts to buy own equity instruments (total return swaps). However, hedge accounting is not applied, as it is deemed that such hedges do not qualify for hedge accounting under IAS 39.

Treasury shares are eliminated against equity. No gains or losses on the sale of treasury shares are recognised in profit or loss but are, instead, recognised as changes in equity.

Total return swap contracts entered into with third parties represent an obligation for the parent company to purchase its own equity instruments (own shares) at a predetermined price. Consequently, the swap contracts are classified as equity instruments. Contracts with an obligation to purchase own equity instruments give rise to a financial liability for the present value of the redemption amount, and an amount equivalent to this liability is reported as a decrease in equity.

Interest paid under the swap contracts is recognised in profit or loss and dividends received are regarded as dividends on own shares and are recognised in equity.

Taxes

The Group's tax for the period consists of current and deferred tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to or from tax authorities using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Current tax is calculated based on the taxable results for the period. Deferred tax arises due to temporary differences between the tax bases of assets and liabilities and their carrying amounts.

Current tax and deferred tax are generally recognised in profit or loss. However, tax that relates to items recognised in other comprehensive income is also reported directly in other comprehensive income. Examples of such items are changes in the fair value of available-for-sale financial assets and gains or losses on hedging instruments in cash flow hedges.

Deferred tax assets are recognised in the balance sheet to the extent that it is probable that future taxable profits will be available against which they can be utilized. The Group's deferred tax assets and tax liabilities have been calculated at the tax rate of 26.3 per cent in Sweden and at each respective country's tax rate for foreign companies.

Insurance and investment contracts

Insurance contracts are contracts under which the Group accepts significant insurance risk – defined as a transfer of an absolute risk of minimum 5 percent of the underlying value – from the policyholder by agreeing to compensate the policyholder or other beneficiaries on the occurrence of a defined insured event. Investment contracts are financial instruments that do not meet the definition of an insurance contract, as they do not transfer significant insurance risk from the policyholder to the Group.

Insurance contracts

Insurance contracts are classified as Short-term (non-life) or Long-term (life). Short-term insurance comprise sickness, disability, health-care, and rehabilitation insurance. Long-term insurance comprise mainly traditional life insurance within the Danish subsidiary, SEB Pension. In the Group accounts Short-term and Long-term insurance are presented aggregated as Insurance contracts. Some 95 per cent of the insurance liability is related to Long-term insurance contracts.

Measurement of Short-term insurance contracts (non-life)

The provision for unearned premiums is intended to cover the anticipated cost of claims and operating expenses arising during the remaining policy period of the insurance contracts in force. The provision for unearned premiums is usually strictly proportional over the period of the insurance contracts. If premiums are judged to be insufficient to cover the anticipated cost for claims and operating expenses, the provision for unearned premiums is strengthened with a provision for unexpired risks.

For anticipated future claims that have been incurred but not yet paid, provision for claims outstanding is recognised. The provision is intended to cover the anticipated future payment of all claims incurred, including claims incurred but not reported (IBNR provisions). This provision should also cover all costs for claims settlement. The provision for claims outstanding is not discounted, with the exception of provisions for sickness annuities, which are discounted using standard actuarial methods.

Measurement of Long-term insurance contracts (life)

For long-term life insurance contracts, a liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability equals the sum of the discounted value of expected benefit payments and future administration expenses, less any outstanding future contractual premium payments. Liabilities for long-term life insurance are discounted using standard actuarial methods.

Liability adequacy test

Swedish actuarial procedures involve performing liability adequacy tests on insurance liabilities. This is to ensure that the carrying amount of the liabilities is sufficient in the light of estimated future cash flows. The carrying amount of a liability is the value of the liability less any related intangible asset or asset for deferred acquisition costs. In performing these tests the current best estimates of future contractual cash flows, as well as claims handling and administration costs, are used in performing these liability adequacy tests. These cash flows are discounted and compared to the carrying amount of the liability. Any deficit is immediately reported in profit or loss.

Revenue recognition

Premiums for insurance contracts are recognised as revenue when they are paid by the policyholders. For contracts where insurance risk premiums received during a period are intended to cover insurance claims arising in that period those premiums are recognised as revenue proportionally during the period of coverage.

Recognition of expenses

Costs for insurance contracts are recognised as an expense when incurred, with the exception of commissions and other variable acquisition costs that vary with and are directly related to securing new contracts and the renewal of existing contracts. These costs are capitalised as deferred acquisition costs. These costs are mainly incremental acquisition costs paid to sales personnel, brokers and other distribution channels. Deferred acquisition costs are amortised as the related revenue is recognised. The asset is tested for impairment every accounting period, ensuring that the economic future benefits expected to arise from the contracts exceed its face amount. All other costs, such as non-incremental acquisition costs or maintenance costs, are recognised in the accounting period in which they arise. Insurance compensation is recorded as an expense when incurred.

Reinsurance
Contracts with re-insurers, whereby compensation for losses is received by the Group, are classified as ceded reinsurance. For ceded reinsurance, the benefits to which the Group is entitled under the terms of the reinsurance contract are reported as the re-insurers' share of insurance provisions. Amounts recoverable from reinsurers are measured consistently with the amounts associated with the reinsurance contracts and in accordance with the terms of each reinsurance contract.

Investment contracts
The majority of the Group's unit linked insurance is classified as investment contracts. No significant insurance risk is transferred from the policyholder to the Group. A minor part of the Group's unit linked insurance business, the portion referring to the Lithuanian insurance subsidiary, is classified as insurance contracts.

Measurement
Investment contracts are financial commitments whose fair value is dependent on the fair value of the underlying financial assets. The underlying assets and related liabilities are measured at fair value through profit or loss. The fair value of the unit linked financial liabilities is determined using the fair value of the financial assets linked the financial liabilities attributed to the policyholder on the balance sheet date. However, if the liability is subject to a surrender option, the fair value of the financial liability is never less than the amount payable on surrender.

Revenue recognition
Amounts received from and paid to policyholders are reported in the balance sheet as deposits or withdrawals. Fees charged for managing investment contracts are recognised as revenue. The revenue for these management services is evenly distributed over the tenor of the contracts.

Recognition of expenses
Variable expenses directly attributable to securing a new investment contract are deferred. These costs are primarily variable acquisition costs paid to sales personnel, brokers and other distribution channels. Deferred acquisition costs are reported in profit or loss as the related revenue is recognised. The asset is tested for impairment during each accounting period to ensure that the future economic benefits expected to arise from the contract exceed the carrying amount of the asset. All other costs, such as fixed acquisition costs or ongoing administration costs, are recognised in the accounting period in which they arise.

Contracts with discretionary participation features (DPF)
Traditional saving contracts include a discretionary participation feature. This feature entitles the policyholder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses. All contracts that include a discretionary participation feature are reported as insurance contracts The amounts referring to the guaranteed element and to the discretionary participation feature are reported as liabilities to policyholders.

Changes in Accounting Policy
The following changes have been made with respect to this Group's accounting policy during 2009:
IFRS 2 (amendment) Share-based Payment effects the definition of vesting conditions and introduces a new concept of "non-vesting" conditions. The standard states that non-vesting conditions should be taken into account in the estimate of the fair value of the equity instrument. The amendment has no material impact on the Group.
IFRS 8 Operating Segments replaces IAS 14 Segment Reporting and aligns operating segmental reporting with segments reported to senior management as well as requiring amendments and additions to the existing segmental reporting disclosures. The standard does not change the recognition, measurement or disclosure of specific transactions in the consolidated financial statements.
IAS 1 (as revised in 2007) Presentation of Financial Statements changes the presentation of the financial reports since income and expenses recognised directly in equity in accordance with the previous accounting policies (apart from owner transactions) is subject to a separate Statement of other comprehensive income. As a result the presentation has changed accordingly.
IAS 23 (amendment) Borrowing Costs requires capitalisation of borrowing costs for qualifying assets and will be applied to significant investments. The amendment has no a material effect on the Group's financial statements.
IAS 32 (amendment) Financial Instruments: Presentation -puttable financial instruments and obligations arising on liquidation specifies the conditions for determining whether a puttable financial Instrument is an equity instrument or a financial liability. The amendment has no a material effect on the Group's financial statements.
IFRIC 13 Customer Loyalty Programmes clarifies that when goods or services are sold together with a customer loyalty incentive the consideration received is to be allocated between the components using fair values. IFRIC 13 has no material effect on the Group's financial statements.
IFRIC 16 Hedges of a Net Investments in a Foreign Operation provides guidance on how to identify the foreign currency risk that qualify as a hedged item in the hedge of a net investment in a foreign operation. The interpretation also provides guidance on how to determine the amount to be reclassified from equity to profit or loss for both hedge instrument and hedged item when the parent disposes of the foreign operation. IFRIC 16 has no material effect on the Group's financial statements.

Future Accounting Developments
Consideration will be given in the future to the implications, if any, of the following new and revised standards and interpretations, as follows:
IFRS 2 (amendment) Share-based Payment. The amendment incorporated previous guidance in IFRIC 8 Scope of IFRS 2 and IFRIC 11 IFRS 2- Group and Treasury Share Transactions is incorporated into the standard. The previous guidance of IFRIC 11 is supplemented also with regard to the classification of intragroup transactions, which are not addressed in the interpretation. This new guidance is not expected to have a material effect on the consolidated financial statements.
IFRS 3 (as revised in 2008) Business Combinations (effective for annual periods beginning after July 2009). The amendment will change how future business combinations are accounted for in respect of transaction costs, possible contingent considerations and business combinations achieved in stages. The standard will not have an impact on previous business combinations but will be applied by the Group to business combinations for which acquisition date is on or after 1 January 2010.
IFRS 5 (amendment) Non-Current Assets Held for Sale and Discontinued Operations. The amendment clarifies that IFRS 5 specifies the disclosure requirements that exist for the assets (or disposal groups) classified as assets held for sale or discontinued operations. It also clarifies that the general requirement in IAS 1 is still valid, in particular paragraph 15 (to give a true and fair view) and section 125 (sources of uncertainty in the estimates). The Group will apply IFRS 5 (amendment) from 1 January 2010. The change is not expected to have a material effect on the consolidated financial statements.
IFRS 9 Financial Instruments (effective for annual periods beginning 1 January 2013, but not yet endorsed by EU). As part of the IASB's project to replace IAS 39 Financial Instruments the IASB issued the first part of the new standard in 2009 concerning Classification and measurement. The IASB aims to replace all of IAS 39 during 2010, issuing standards regarding the two remaining phases: Impairment methodology and Hedge accounting. As IFRS 9 is not yet complete it is not possible to assess the impact on the Group.
IAS 1 (amendment) Presentation of Financial Statements clarifies that the potential settlement of a debt through the issuance of shares is not relevant to its classification as short-or long-term. The Group will apply IAS 1 (amendment) from 1 January 2010. The change is not expected to have a material effect on the consolidated financial statements.
IAS 27 (as revised in 2008) Consolidated and Separate Financial Statements. The revisions to IAS 27 principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries. The change is not expected to have a material effect on the consolidated financial statements.
IAS 38 (amendment) Intangible Assets. The amendment provides clarification of the fair value of an intangible asset acquired in a business combination. The amendment means that intangible assets are grouped and treated as an asset if the assets have similar useful lives. The amendment will not have a material effect on the Group's consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES OF THE PARENT COMPANY

Skandinaviska Enskilda Banken (SEB) AB public limited company having a registered office in Stockholm, Sweden.

The financial statements for SEB AB are prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the regulation and general guidelines issued by the Swedish Financial Supervisory Authority, Annual reports in credit institutions and securities companies (FFFS 2008:25) and statements from the Swedish Financial Reporting Board. SEB AB has chosen to early adopt the Swedish Financial Reporting Board's recommendation RFR 2.3 Accounting for legal entities and presents a statement of Other comprehensive income in connection with the income statement.

In accordance with the Financial Supervisory Authority's general advice, the parent company applies statutory IFRS. This means that the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the EU have been applied to the extent that is possible within the framework of Swedish legislation and considering the close tie between financial reporting and taxation. The accounting principles of the parent company differ, in certain aspects, from the accounting principles applied by the SEB Group. The essential differences are described below.

Presentation format
The presentation format for the balance sheet and the profit and loss account according to the Annual Accounts Act for Credit Institutions and Securities Companies is not in conformity with IFRS. Credit institutions and securities companies applying IFRS as adopted by the EU in their consolidated financial statements have the option to deviate from the presentation format for the balance sheet as stipulated by law, but may not deviate from the stipulated profit and loss account.

Holdings in subsidiaries and associated companies
Shares and participating interests in subsidiaries and associated companies are measured at cost. Dividends on shares in subsidiaries and associated companies are recognised as income in profit or loss.

Leasing
Leasing contracts which are classified as finance leases in the consolidated accounts are accounted for as operating leases in the parent company.

Pensions
The parent company does not apply the provisions of IAS 19 concerning accounting for defined benefit plans. Instead, pension costs are calculated on an actuarial basis in the parent company in accordance with the provisions of the Act on Safeguarding Pension Obligations and the Swedish Financial Supervisory Authority's regulations. In Sweden, actuarial pension commitments are guaranteed by a pension foundation or recognised as a liability.

The recognised net cost of pensions is calculated as pensions paid and pension premiums less any compensation from the pension foundation. The net pension cost for the year is reported under Staff costs in the parent company's profit and loss account. Excess amounts as a result of the value of the plan assets exceeding the estimated pension obligations are not recognised as an asset in the parent company's balance sheet. Deficits are recognised as a liability.

Intangible assets
In accordance with IAS 38, goodwill and other intangible assets with indefinite useful lives are not amortised in the consolidated financial statements. In the parent company financial statements goodwill is amortised as any other intangible asset in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Taxes
In the parent company, untaxed reserves are recognised as a separate item in the balance sheet. Untaxed reserves comprise accelerated depreciation under tax regulations, including the deferred tax component. In the consolidated financial statements, untaxed reserves are reported in retained earnings and deferred tax liability.

Group contributions
Group contributions paid or received between Swedish companies for the purpose of optimising the Group's corporate taxes are reported in the parent company as a decrease/increase in non-restricted equity after adjustment for estimated taxes.

CRITICAL JUDGMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Applying the Group's accounting policies require in some cases the use of estimates and assumptions that have a material impact on the amounts reported in the financial statements. The estimates are based on expert judgements and assumptions that management believes are true and fair.

The most significant assumptions and estimates are associated with:
– the consolidation of mutual life insurance companies and unit-linked funds
– the fair value measurement of certain financial instruments
– the impairment testing of financial assets and goodwill
– the calculation of insurance liabilities
– the market valuation of real estate property
– the reporting of tax assets
– the actuarial calculations of pension liabilities.

Consolidation of mututal life insurance companies and unit-linked funds
Within the life insurance operations of the SEB Group Gamla Livförsäkrings AB SEB Trygg Liv operates as a mutual life insurance company. The entity is not consolidated, as the judgment of the Group is that it does not have control of the entity. Control is seen to imply the power to govern the financial and operating policies of an entity in order to obtain benefits from its activities. Life insurance entities operated as mutual life insurance companies cannot pay dividends why the Group deems that it cannot obtain benefits. In Gamla Livförsäkrings AB SEB Trygg Liv there are specific policies specifying the composition of the board, which implies that the SEB Group is not able to govern the financial and operating policies of the entity.

The policyholders in SEB's unit-linked company choose to invest in a variety of funds. The insurance company providing unit-linked products invests in the funds chosen by the customers. By doing so SEB might, in some cases, hold more than 50 per cent of the funds, which it holds on behalf of the customers for whom it acts as investment manager. Due to the legislation regarding fund operations, SEB considers that it does not have the power to govern the financial and operating policies of such investment funds to obtain benefits. This applies irrespective of whether the funds held on behalf of customers are greater or less than 50 percent of a fund. It is the policyholders who carry the investment risk, not SEB. Consequently, the policyholders are entitled to all of the returns generated by the funds. SEB only charges fees, on market conditions, for managing the funds. SEB has come to the conclusion that the funds which it manages should not be consolidated. However, the shares that the Group holds in such funds on behalf of its customers are recognised in the balance sheet.

Fair value measurement of certain financial instruments
Financial assets and liabilities are primarily measured at fair value by utilising quoted prices on active markets. In the absence of quoted prices, generally accepted and well established valuation techniques based on maximum use of observable market information is used. Valuation techniques applied are discounted cash flows, third party indicative quotes, benchmarking to instrument with similar characteristics and option pricing models. Valuation techniques are subject to regular reviews by the group risk control organisation to ensure reliability.

Impairment testing of financial assets and goodwill
Financial assets
Testing financial assets individually for impairment requires judgement to establish the counterparty's repayment capacity and the realisable value of any collateral. The most important aspect when testing a group of financial assets collectively for impairment is to identify the events that indicate incurred losses. Adjusting models for collective impairment testing to current market situation also require a high degree of expert judgement to ensure a reliable estimate. The assessment and assumptions are regularly reviewed by the group credit organisation.

Goodwill
The annual impairment test of goodwill is based on the value in use with forecasted cash flows for five years. The cash flows beyond five years are determined based on historical performance and market trends for key assumptions such as growth, revenue and costs for cash generating units to which goodwill is allocated.

Calculation of insurance liabilities
Calculation of the Group's insurance liabilities is based on a number of assumptions such as interest rates, mortality, health, expenses, persistency, inflation and taxes.

Assumption on interest rates is based on regulations from each local Financial Supervisory Authority (FSA). All other assumptions are based on internally acquired experience.

Market valuation of real estate property
Real estate properties in the insurance operations have been fair valued with the assistance of external expertise. The valuation method applied means that the related expected cash flows are discounted to present value. The assumptions concerning expected cash flows are based on assumptions on future rents, vacancy levels, operating and maintenance costs, yield requirement and market interest. Assumptions are in line with the assessments that the market can be expected to make under current market conditions. The yield requirement is based on local analyses of comparable property purchases.

Reporting of tax assets
The expected outcome of uncertain tax positions is determined as the single most likely outcome.

Actuarial calculations of pension liabilities
Valuation of the Group's pension liabilities is based on actuarial, demographic and financial assumptions. Note 9 b contains a list of the most critical assumptions used when calculating the provision.

2 Operating segments

GROUP BUSINESS SEGMENTS

Income statement, 2009	Merchant Banking	Retail Banking	Wealth Management	Life[1]	Baltic	Other incl. eliminations[2]	Total
Interest income	*28,727*	*18,810*	*1,547*		*9,943*	*4,152*	***63,179***
Interest expense	*–18,745*	*–11,931*	*–949*	*–18*	*–7,264*	*–4,782*	***–43,689***
Net interest income	9,982	6,879	598	–18	2,679	–630	**19,490**
Fee and commission income	*7,040*	*6,621*	*4,384*		*1,418*	*–211*	***19,252***
Fee and commission expense	*–1,393*	*–2,193*	*–1,429*		*–484*	*707*	***–4,792***
Net fee and commission income	5,647	4,428	2,955		934	496	**14,460**
Net financial income	4,377	290	76		126	–384	**4,485**
Net life insurance income				4,443		–846	**3,597**
Net other income	46	83	17		55	1,980	**2,181**
Total operating income	**20,052**	**11,680**	**3,646**	**4,425**	**3,794**	**616**	**44,213**
of which internally generated	–2,323	3,329	–1,245	917	–2,206	1,528	
Staff costs	–3,529	–4,052	–1,229	–1,107	–730	–4,927	**–15,574**
Other expenses	–3,863	–4,433	–1,160	–536	–1,452	3,316	**–8,128**
Depreciation, amortisation and impairments of tangible and intangible assets	–155	–180	–116	–667	–2,389	–1,188	**–4,695**
Total operating expenses	**–7,547**	**–8,665**	**–2,505**	**–2,310**	**–4,571**	**–2,799**	**–28,397**
Gains less losses on disposals of tangible and intangible assets	–1	–2	29		–17	–5	**4**
Net credit losses	–805	–1,369	–28		–9,569	–677	**–12,448**
OPERATING PROFIT	**11,699**	**1,644**	**1,142**	**2,115**	**–10,363**	**–2,865**	**3,372**

Income statement, 2008	Merchant Banking	Retail Banking	Wealth Management	Life[1]	Baltic	Other incl. eliminations[2]	Total
Interest income	*67,684*	*33,622*	*4,011*		*12,818*	*–20,854*	***97,281***
Interest expense	*–60,270*	*–26,427*	*–3,120*	*–36*	*–9,263*	*20,545*	***–78,571***
Net interest income	7,414	7,195	891	–36	3,555	–309	**18,710**
Fee and commission income	*6,573*	*6,718*	*5,264*		*1,417*	*–95*	***19,877***
Fee and commission expense	*–1,325*	*–2,027*	*–1,583*		*–469*	*781*	***–4,623***
Net fee and commission income	5,248	4,691	3,681		948	686	**15,254**
Net financial income	3,625	248	67		150	–1,120	**2,970**
Net life insurance income				3,296		–921	**2,375**
Net other income	541	92	48		130	984	**1,795**
Total operating income	**16,828**	**12,226**	**4,687**	**3,260**	**4,783**	**–680**	**41,104**
of which internally generated	–10,550	4,844	–67	1,005	–3,145	7,913	
Staff costs	–3,890	–3,828	–1,427	–1,105	–743	–5,248	**–16,241**
Other expenses	–3,594	–4,283	–1,132	–523	–1,228	3,118	**–7,642**
Depreciation, amortisation and impairments of tangible and intangible assets	–95	–222	–100	–569	–86	–452	**–1,524**
Total operating expenses	**–7,579**	**–8,333**	**–2,659**	**–2,197**	**–2,057**	**–2,582**	**–25,407**
Gains less losses on disposals of tangible and intangible assets	5	2				–2	**5**
Net credit losses	–904	–650	–17		–1,709	49	**–3,231**
OPERATING PROFIT	**8,350**	**3,245**	**2,011**	**1,063**	**1,017**	**–3,215**	**12,471**

1) Business result in Life amounted to SEK 3,015m (2,052), of which change in surplus values was net SEK 900m (989).
2) Profit and losses from associated companies accounted for under the equity method are recognised in Net other income by SEK 3m (77). The aggregated investments are SEK 89m (99).

Balance sheet, 2009-12-31	Merchant Banking	Retail Banking	Wealth Management	Life	Baltic	Other incl. eliminations	Total
Assets	1,103,688	538,831	72,561	271,104	156,917	165,126	**2,308,227**
Liabilities	1,060,584	502,543	66,181	262,642	139,926	176,682	**2,208,558**
Investments	289	230	48	1,524	1,742	414	**4,247**

Balance sheet, 2008-12-31	Merchant Banking	Retail Banking	Wealth Management	Life	Baltic	Other incl. eliminations	Total
Assets	1,434,495	539,855	78,772	230,836	188,591	38,153	**2,510,702**
Liabilities	1,394,392	500,909	70,258	222,232	165,318	73,864	**2,426,973**
Investments	455	334	1,051	2,126	449	523	**4,938**

Note 2 ctd. Operating segments

GROUP BY GEOGRAPHY

	2009			2008		
	Gross Income*	Assets	Investments	Gross Income*	Assets	Investments
Sweden	50,932	1,640,285	1,132	75,927	1,686,933	1,257
Norway	7,179	121,276	80	11,757	149,637	33
Denmark	6,235	221,272	1,092	11,151	206,720	1,392
Finland	2,486	30,828	3	3,077	27,289	15
Estonia	2,898	48,154	49	3,694	57,311	34
Latvia	2,962	42,575	89	3,488	50,796	58
Lithuania	4,573	80,219	1,513	5,523	91,718	357
Germany	19,646	536,910	101	28,206	651,615	252
Other countries	6,871	295,717	188	12,540	257,999	1,538
Group eliminations	–11,088	–709,009		–31,065	–669,316	2
TOTAL	**92,694**	**2,308,227**	**4,247**	**124,298**	**2,510,702**	**4,938**

*Gross income in the Group is defined as the sum of Interest income, Fee and commission income, Net financial income, Net life insurance income and net other income according to IFRS.

PARENT COMPANY BUSINESS SEGMENTS

2009	Merchant Banking	Retail Banking	Wealth Management	Life	Baltic	Other incl. eliminations	Total
Gross income*	24,419	7,429	1,054	73	2	23,727	**56,704**
Assets	640,049	162,616	25,368	624	63	767,196	**1,595,916**
Investments	213	40	19			271	**543**
2008							
Gross income*	31,196	5,346	1,373	94		44,507	**82,516**
Assets	776,790	156,186	19,658	493		755,373	**1,708,500**
Investments	297	59	6			201	**563**

PARENT COMPANY BY GEOGRAPHY

	2009			2008		
	Gross Income*	Assets	Investments	Gross Income*	Assets	Investments
Sweden	45,618	1,398,022	543	65,218	1,522,815	431
Norway	3,334	73,277		4,618	77,926	
Denmark	3,214	90,227		5,449	71,799	
Finland	717	2,573		1,348	3,357	
Other countries	3,821	31,817		5,883	32,603	132
TOTAL	**56,704**	**1,595,916**	**543**	**82,516**	**1,708,500**	**563**

*Gross income in the parent company is defined as the sum of Interest income, Leasing income, Dividends, Fee and commission income, Net Financial income and Other income according to SFSA accounting regulations.

Business segment
The Business segments are presented on a management reporting basis. The different divisions assist different groups of customers. The customers' demands decide the type of products that are offered. Merchant Banking offers wholesale and investment banking services to large corporations, institutions and real estate companies. Retail Banking offers products mainly to retail customers (private customers and small corporates). Wealth Management performs asset management and private banking activities and Life offers life, care and pension insurance. On 1 July 2009 the Baltic division was formed through a merger of Retail and Wealth Management parts in the Baltic subsidiaries. 2008 figures have been restated accordingly.

Transfer pricing
The internal transfer pricing objective in the SEB Group is to measure net interest income, to transfer interest risk and to manage liquidity. The internal price is set according to the market price, which is the price paid at the interbank market for a specific interest and liquidity term. The business units do not pay or receive any margins on funds transferred to and from the Treasury unit. Transactions between Business segments are conducted at arm's length.

3 Net interest income

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Loans to credit institutions	6,697	11,873	7,078	14,329
Loans to the public	45,270	64,612	18,776	33,940
Interest-bearing securities[1)]	6,707	18,706	3,810	11,408
Other interest income	4,505	2,090	3,756	109
Interest income	**63,179**	**97,281**	**33,420**	**59,786**
Deposits by credit institutions	–7,417	–19,485	–6,178	–17,470
Deposits and borrowing from the public	–16,178	–31,292	–2,984	–13,618
Interest-bearing securities	–15,135	–21,593	–11,463	–16,602
Subordinated liabilities	–1,911	–2,336	–1,857	–2,280
Other interest costs	–3,048	–3,865	–1,669	–3,017
Interest expense	**–43,689**	**–78,571**	**–24,151**	**–52,987**
TOTAL	**19,490**	**18,710**	**9,269**	**6,799**
1) Of which, measured at fair value.	6,661	18,600	3,572	11,094

Net income from leases[1)]

	Parent company 2009	Parent company 2008
Income from leases	5,800	6,372
Depreciation of leased equipment	–4,506	–4,604
TOTAL	**1,294**	**1,768**

1) In the Group Net income from leases is reclassified to interest income. In the parent company depreciation of leased equipment is reported as Depreciation, amortisation and impairment of tangible and intangible assets.

Net interest income

	Parent company 2009	Parent company 2008
Interest income	33,420	59,786
Income from leases	5,800	6,372
Interest expense	–24,151	–52,987
Depreciation of leased equipment	–4,506	–4,604
TOTAL	**10,563**	**8,567**

4 Net fee and commission income

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Issue of securities	501	172	1,090	959
Secondary market	2,465	2,769	744	608
Custody and mutual funds	5,967	7,022	1,902	2,369
Securities commissions	8,933	9,963	3,736	3,936
Payments	1,858	1,844	1,127	1,134
Card fees	4,248	4,300	183	173
Payment commissions	6,106	6,144	1,310	1,307
Lending	1,383	1,004	1,103	678
Deposits	108	98	65	68
Advisory	1,037	1,118	267	297
Guarantees	416	301	282	171
Derivatives	558	601	535	516
Other	711	648	553	500
Other commissions	4,213	3,770	2,805	2,230
Fee and commission income	**19,252**	**19,877**	**7,851**	**7,473**
Securities commissions	–874	–970	–212	–267
Payment commissions	–2,442	–2,450	–531	–526
Other commissions	–1,476	–1,203	–893	–686
Fee and commission expense	**–4,792**	**–4,623**	**–1,636**	**–1,479**
TOTAL	**14,460**	**15,254**	**6,215**	**5,994**

5 Net financial income

	Group		Parent company	
	2009	2008	2009	2008
Gains (losses) on financial assets and liabilities held for trading, net	4,768	3,708	4,132	3,279
Gains (losses) on financial assets and liabilities designated at fair value, net	–122	–264	–67	–43
Impairments of available-for-sale financial assets	–161	–474		
TOTAL	**4,485**	**2,970**	**4,065**	**3,236**

Gains (losses) on financial assets and liabilities held for trading, net

Equity instruments and related derivatives	1	1,525	–151	1,044
Debt instruments and related derivatives	894	–936	1,307	–176
Currency related	3,877	3,107	2,976	2,411
Other financial instruments	–4	12		
TOTAL[1]	**4,768**	**3,708**	**4,132**	**3,279**

Gains (losses) on financial assets and liabilities designated at fair value, net

Equity instruments and related derivatives	–68	–110	–68	–42
Debt instruments and related derivatives	–90	–123		
Currency related	36	–31	1	–1
TOTAL	**–122**	**–264**	**–67**	**–43**

1) Includes ineffectiveness for net investment hedges in foreign operations of SEK –2m (–85).

Fair value changes in financial assets and financial liabilities within the unit linked insurance business, designated as at fair value through profit or loss offset each other in full.

6 Net life insurance income

	Group	
	2009	2008
Premium income, net	7,313	7,126
Income investment contracts	1,042	983
Investment income net	5,504	–2,519
Other insurance income	394	397
Net insurance expenses	–10,656	–3,612
TOTAL	**3,597**	**2,375**

Investment income, net

Direct yield[1]	4,461	4,230
Change in value on investments at fair value, net	1,997	–7,069
Foreign exchange gain/loss, net	–158	39
	6,300	**–2,800**
Expenses for asset management services	–71	–119
Policyholders tax	–725	400
TOTAL	**5,504**	**–2,519**

1) Net interest income, dividends received and operating surplus from properties.

Net insurance expenses

Claims paid, net	–8,216	–9,330
Change in insurance contract provisions	–2,440	5,718
TOTAL	**–10,656**	**–3,612**

7 Net other income

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Dividends	116	122	**2,757**	**2,715**
Impairment of financial assets[1]			**–1,222**	**–121**
Investments in associates	3	77		
Gains less losses from investment securities	–70	1,230	79	2,004
Gains less losses from tangible assets[2]			11	6
Other income	2,132	366	2,721	924
TOTAL	**2,181**	**1,795**	**2,811**	**2,934**

1) Impairment testing of the activities in Ukraine resulted in write-offs of both goodwill and shares in subsidiaries amounting to SEK 1,145m.
2) See note 12 for the Group.

Dividends

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Available-for-sale investments	116	122	75	18
Shares in subsidiaries			2,682	2,697
TOTAL	**116**	**122**	**2,757**	**2,715**

Investments in associates[1]

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
NCSD Holding (former VPC)		60		
BGC Holding	3	13		
Other		4		
TOTAL	**3**	**77**		

1) Recognised using the equity method.

Gains less losses from investment securities

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Available for sale financial assets – Equity instruments		1,232	79	2,004
Available for sale financial assets – Debt instruments	465	85		
Loans		9		
Capital gains	**465**	**1,326**	**79**	**2,004**
Available for sale financial assets – Equity instruments	–57	–18		
Available for sale financial assets – Debt instuments	–304	–55		
Loans	–174	–23		
Capital losses	**–535**	**–96**		
TOTAL	**–70**	**1,230**	**79**	**2,004**

Other income

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Fair value adjustment in hedge accounting	226	–46	507	–87
Operating result from non-life insurance, run off	63	–12		
Repurchased issued bonds	1,570		1,570	
Other income	273	424	644	1,011
TOTAL	**2,132**	**366**	**2,721**	**924**

Fair value adjustment in hedge accounting

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Fair value changes of the hedged items attributable to the hedged risk	103	–5,374	479	–4,519
Fair value changes of the hedging derivatives	214	4,831	33	4,417
Fair value hedges	**317**	**–543**	**512**	**–102**
Fair value changes of the hedging derivatives	–5	15	–5	15
Cash-flow hedges – ineffectiveness	**–5**	**15**	**–5**	**15**
Fair value changes of the hedged items	801	2,404		
Fair value changes of the hedging derivatives	–887	–1,922		
Fair value portfolio hedge of interest rate risk – ineffectiveness	**–86**	**482**		
TOTAL	**226**	**–46**	**507**	**–87**

Note 7 ctd. Net other income

Fair value hedges and portfolio hedges
The Group hedges a proportion of its existing interest rate risk, in financial assets payments and financial liabilities with fixed interest rates, against changes in fair value due to changes in the interest rates. For this purpose the Group uses interest rate swaps, cross-currency interest rate swaps and in some situations also options. The hedges are done either on an item by item or grouped by maturity basis.

Cash flow hedges
The Group uses interest rate swaps to hedge future cash flows from deposits and lending with floating interest rates. Interest flows from deposits and lending with floating interest rates are expected to be amortised in profit or loss during the period 2010 to 2037.

Net investment hedges
The Group hedges the currency translation risk of net investments in foreign operations through currency borrowings and currency forwards. Borrowing in foreign currency to an amount of SEK 53,716m (55,899) and currency forwards to an amount of SEK 965m (4,486) was designated as hedges of net investments in foreign operations. Ineffectiveness has been recognised with SEK –2m (–85) reported in Net financial income (note 5).

8 Administrative expenses

	Group		Parent company	
	2009	2008	**2009**	2008
Staff costs	–15,574	–16,241	–7,669	–8,840
Other expenses	–8,128	–7,642	–4,448	–4,464
TOTAL	**–23,702**	**–23,883**	**–12,117**	**–13,304**

9 Staff costs

Disclosures regarding remuneration according to the Swedish Financial Supervisory Authority regulation 2009:6 is found on SEB:s homepage www.sebgroup.com. The disclosure includes the following staff cost items: base salary, short-term variable remuneration, long-term equity based programmes, defined contribution retirement plans and benefits including redundancies.

	Group		Parent company	
	2009	2008	**2009**	2008
Base salary	–9,521	–9,209	–4,616	–4,546
Short-term variable cash compensation	–625	–1,879	–443	–1,108
Long-term equity based compensation	–172	–15	–149	–15
Salaries and other compensations	**–10,318**	**–11,103**	**–5,208**	**–5,669**
Social charges	–2,580	–2,721	–1,556	–1,702
Defined Benefit retirement plans[1)]	–730	–7		
Defined Contribution retirement plans[1)]	–814	–732	–497	–441
Benefits and redundancies[2)]	–560	–1,011	–87	–633
Education and other staff related costs	–572	–667	–321	–395
TOTAL	**–15,574**	**–16,241**	**–7,669**	**–8,840**

1) Pension costs in the Group are accounted for according to IAS 19, Employee benefits. The Group's cost for defined benefit plans increased mainly due to falling return on plan assets. Pension costs in Skandinaviska Enskilda Banken have been calculated in accordance with the directives of the Financial Supervisory Authority, implying an actuarial calculation of imputed pension costs. Non-recurring costs of SEK 162m (213) for early retirement have been charged to the pension funds of the Bank.
2) Includes costs for redundancies with SEK 364m (864) for the Group and SEK 56m (602) for the parent company.

9 a Salaries and other remunerations per country and category

	Group			Parent company		
2009	Executives[1)]	Other	Total	Executives[1)]	Other	Total
Sweden	–33	–4,720	**–4,753**	–19	–4,098	**–4,117**
Norway	–11	–585	**–596**		–213	**–213**
Denmark	–17	–709	**–726**		–242	**–242**
Finland	–8	–257	**–265**		–165	**–165**
Estonia	–15	–252	**–267**			
Latvia	–10	–264	**–274**		–26	**–26**
Lithuania	–21	–371	**–392**		–11	**–11**
Germany	–72	–2,213	**–2,285**		–74	**–74**
Poland	–7	–28	**–35**		–16	**–16**
Ukraine	–5	–71	**–76**			
China		–10	**–10**		–10	**–10**
Great Britain	–3	–237	**–240**		–213	**–213**
France		–11	**–11**		–12	**–12**
Ireland	–2	–14	**–16**			
Luxembourg	–5	–180	**–185**			
Russia	–5	–19	**–24**			
Singapore		–66	**–66**		–61	**–61**
United States	–2	–72	**–74**		–48	**–48**
Other[2)]		–23	**–23**			
TOTAL	**–216**	**–10,102**	**–10,318**	**–19**	**–5,189**	**–5,208**

Note 9 a ctd. Salaries and other remunerations per country and category

	Group			Parent company		
2008	Executives[1]	Other	Total	Executives[1]	Other	Total
Sweden	–32	–4,854	**–4,886**	–18	–4,188	**–4,206**
Norway	–24	–749	**–773**		–247	**–247**
Denmark	–14	–669	**–683**		–203	**–203**
Finland	–34	–303	**–337**		–198	**–198**
Estonia	–20	–272	**–292**			
Latvia	–11	–280	**–291**		–25	**–25**
Lithuania	–34	–356	**–390**		–3	**–3**
Germany	–277	–1,984	**–2,261**		–93	**–93**
Poland	–4	–50	**–54**		–22	**–22**
Ukraine	–12	–87	**–99**			
China		–6	**–6**		–6	**–6**
Great Britain	–3	–515	**–518**		–487	**–487**
France		–13	**–13**		–13	**–13**
Ireland	–2	–14	**–16**			
Luxembourg	–2	–209	**–211**			
Russia	–3	–25	**–28**			
Singapore		–118	**–118**		–110	**–110**
United States	–9	–105	**–114**		–56	**–56**
Other[2]		–13	**–13**			
TOTAL	**–481**	**–10,622**	**–11,103**	**–18**	**–5,651**	**–5,669**

1) Comprises current Board members and their substitutes in the Parent company and subsidiaries, President and Deputy President in Parent company and Managing Directors and Deputy Managing Directors in subsidiaries. Total number of Presidents, Managing Directors and Deputy Presidents and Managing Directors was 83 (96) of which 17 (14) female. Total number of Board members and their substitutes was 250 (241) of which 48 (55) female. These Board members do not, with the exception of the Board members elected at the AGM in the parent company, receive board remuneration.
2) Switzerland, British Virgin Island and Brazil.

Loans to Executives

	Group		Parent company	
	2009	2008	2009	2008
Managing Directors and Deputy Managing Directors[1]	128	153	18	18
Boards of Directors[2]	259	251	37	34
TOTAL	**387**	**404**	**55**	**52**

1) Comprises current President in the Parent company and Managing Directors and Deputy Managing Directors in subsidiaries. Total number of executives was 83 (96) of which female 17 (14).
2) Comprises current Board members and their substitutes in the Parent company and subsidiaries. Total number of persons was 250 (241) of which female 48 (55).

Pension commitments to Executives

	Group		Parent company	
	2009	2008	2009	2008
Pension disbursements made	102	83	47	36
Change in commitments	87	52	31	11
Commitments at year-end	1,718	1,608	777	728

The above commitments are covered by the Bank's pension funds or through Bank-owned endowment assurance schemes. Includes active and retired Presidents and Deputy Presidents in the Parent company and Managing Directors and Deputy Managing Directors in subsidiaries, in total 112 (110) persons.

9 b Retirement benefit obligations

DEFINED BENEFIT PLANS IN SEB GROUP

	2009			2008		
Net amount recognised in the Balance sheet	Sweden[1]	Foreign[1]	Group[1]	Sweden[1]	Foreign[1]	Group[1]
Defined benefit obligation at the beginning of the year	16,823	5,358	**22,181**	16,479	4,760	**21,239**
Acquisitions and reclassification		43	**43**		–43	**–43**
Service costs	489	101	**590**	454	93	**547**
Interest costs	616	305	**921**	604	255	**859**
Benefits paid	–804	–271	**–1,075**	–805	–285	**–1,090**
Exchange differences		–332	**–332**		764	**764**
Unrecognised actuarial gains/losses	273	410	**683**	91	–186	**–95**
Defined benefit obligation at the end of the year	**17,397**	**5,614**	**23,011**	**16,823**	**5,358**	**22,181**
Fair value of plan assets at the beginning of the year	13,064	4,583	**17,647**	16,991	4,528	**21,519**
Acquisitions and reclassification	1	1	**2**			
Calculated return on plan assets	980	258	**1,238**	1,275	265	**1,540**
Benefits paid/contributions	–833	–250	**–1,083**	–691	–253	**–944**
Exchange differences		–285	**–285**		731	**731**
Unrecognised actuarial gains/losses	1,828	191	**2,019**	–4,511	–688	**–5,199**
Fair value of plan assets at the end of the year	**15,040**	**4,498**	**19,538**	**13,064**	**4,583**	**17,647**
Funded status	**–2,357**	**–1,116**	**–3,473**	**–3,759**	**–775**	**–4,534**
Unrecognised actuarial gains/losses on liabilities	6,199	550	**6,749**	5,941	160	**6,101**
Unrecognised actuarial gains/losses on assets	99	499	**598**	2,349	690	**3,039**
Exchange differences		–53	**–53**		69	**69**
NET AMOUNT RECOGNISED IN THE BALANCE SHEET	**3,941**	**–120**	**3,821**	**4,531**	**144**	**4,675**
of which recognised as assets	3,961		**3,961**	4,486	217	**4,703**
of which recognised as liabilities	20	120	**140**	–45	73	**28**

Movements in the net assets or net liabilities						
Defined benefit obligation at the beginning of the year	4,531	144	**4,675**	4,339	129	**4,468**
Acquisitions and reclassification	1	–42	**–41**		43	**43**
Total expense as below	–562	–168	**–730**	78	–85	**–7**
Pension paid	804	271	**1,075**	805	285	**1,090**
Pension compensation	–833	–250	**–1,083**	–691	–253	**–944**
Exchange differences		–75	**–75**		25	**25**
NET AMOUNT RECOGNISED IN THE BALANCE SHEET	**3,941**	**–120**	**3,821**	**4,531**	**144**	**4,675**

The actual return on plan assets was SEK 1,975m (–3,928) in Sweden and SEK 43m (–297) in foreign plans. The allocation of total plan assets in Sweden is 81 per cent (78) shares and 19 (22) interest-bearing, in foreign plans 15 (14) shares and 85 (86) interest-bearing.

The pension plan assets include SEB shares with a fair value of SEK 692m (417) and buildings occupied by the company with a value of SEK 792m (792).

Amounts recognised in the Profit and loss						
Service costs	–489	–101	**–590**	–454	–93	**–547**
Interest costs	–616	–305	**–921**	–604	–255	**–859**
Return on plan assets	980	258	**1 238**	1,275	265	**1,540**
Actuarial gains/losses	–437	–20	**–457**	–139	–2	**–141**
TOTAL INCLUDED IN STAFF COSTS	**–562**	**–168**	**–730**	**78**	**–85**	**–7**

Principal actuarial assumptions used, %						
Discount rate	3.8%	5.3%		3.8%	6.0%	
Inflation rate	2.0%	2.0%		2.0%	2.0%	
Expected rate of salary increase	3.5%	3.0%		3.5%	3.0%	
Expected rate of increase in the income basis amount	3.0%			3.0%		
Expected rate of return on plan assets	7.5%	6.0%		7.5%	5.0%	

1) Defined benefit obligations and plan assets are disclosed gross in the table. There exist no legal right to offset obligations and assets between entities in the group but in the balance sheet the net amount is recognised for each entity either as an asset or liability.

DEFINED CONTRIBUTION PLANS IN SEB GROUP

	2009			2008		
Net amount recognised in the Profit and loss	Sweden	Foreign	Group	Sweden	Foreign	Group
Expense in Staff costs	–521	–293	**–814**	–463	–269	**–732**

Note 9 b ctd. Retirement benefit obligations

DEFINED BENEFIT PLANS IN SKANDINAVISKA ENSKILDA BANKEN

	Parent company	
Net amount recognised in the Balance sheet	**2009**	2008
Defined benefit obligation at the beginning of the year	11,674	11,877
Imputed pensions premium	424	434
Interest costs and other changes	673	–47
Early retirement	162	213
Pension disbursements	–801	–803
DEFINED BENEFIT OBLIGATION AT THE END OF THE YEAR	**12,132**	**11,674**

Fair value of plan assets at the beginning of the year	12,793	16,732
Return in pension foundations	2,719	–3,136
Benefits paid	–801	–803
FAIR VALUE OF PLAN ASSETS AT THE END OF THE YEAR	**14,711**	**12,793**

The above defined benefit obligation is calculated according to Tryggandelagen. The obligation is fully covered by assets in pension foundations and is not included in the balance sheet.

The assets in the foundations are mainly equity related SEK 11,846m (9,955) and to a smaller extent interest related SEK 2,865m (2,838). The assets include SEB shares of SEK 677m (408) and buildings occupied by the company of SEK 792m (792). The return on assets was 21 per cent (–19) before pension compensation.

Amounts recognised in the Profit and loss		
Pension disbursements	–801	–803
Compensation from pension foundations	801	803
Total included in appropriations		
NET PENSION COSTS FOR DEFINED BENEFIT PLANS	**0**	**0**

Principal actuarial assumptions used, %		
Gross interest rate	4.2%	4.2%
Interest rate after tax	3.6%	3.6%

The actuarial calculations are based on salaries and pensions on the balance sheet date.

DEFINED CONTRIBUTION PLANS IN SKANDINAVISKA ENSKILDA BANKEN

	Parent company	
Net amount recognised in the Profit and loss	**2009**	2008
Expense in Staff costs	–497	–441

Pension foundations

	Pension commitments		Market value of asset	
	2009	2008	**2009**	2008
SEB-Stiftelsen, Skandinaviska Enskilda Bankens Pensionsstiftelse	12,132	11,674	14,711	12,793
SEB Kort AB:s Pensionsstiftelse	315	271	329	271
TOTAL	**12,447**	**11,945**	**15,040**	**13,064**

Retirement benefit obligations

The Group has established pension schemes in the countries where business is performed. There are both defined benefit plans and defined contribution plans. The major pension schemes are final salary defined benefit plans and are funded. The defined contribution plans follow the local regulations in each country.

Defined benefit plans

The major defined benefit plans exist in Sweden and Germany and covers substantially all employees in these countries. Independent actuarial calculations according to the Projected Credit Unit Method (PUCM) are performed each year as per 31 December to decide the value of the defined benefit obligation. The benefits covered include retirement benefits, disability, death and survivor pensions according to the respective countries collective agreements.

The plan assets are kept separate in specific pension foundations. The assets are market valued each year at the same date as the obligation. The asset allocation is determined to meet the various risk in the pension obligations and are decided by the board/trustees in the pension foundations. The pension costs and the return on plan assets are accounted for among Staff costs.

Defined contribution plans

Defined contribution plans exist both in Sweden and abroad. In Sweden a smaller part of the retirement collective agreement is defined contribution plans. Over a certain salary level the employees can also choose to leave the defined benefit plan and replace it by a defined contribution plan. Most other countries have full defined contribution plans except for the Baltic countries where the company to a limited extent contribute to the employees retirement. The defined contribution plans are accounted for as an expense among Staff costs.

9c Compensation to the top management and the Group Executive Committee

Guidelines for remuneration
The guidelines for remuneration to the President and the other members of the Group Executive Committee were prepared by the Board of Directors and its Remuneration and Human Resources Committee and approved by the Annual General Meeting 2009.

The remuneration structure for the President and other members of the Group Executive Committee has been the same as for the Bank as a whole during 2009 but does not include short-term cash based compensation. Thus, the remuneration is based upon three main components; base pay, long-term equity based programmes and pensions. Other benefits may also be included, such as company car and home service.

For more information, see page 25–27.

Consequences of the State Guarantee Programme
SEB entered on 6 May 2009 into an agreement with Riksgälden under the State Guarantee Programme. The agreement lapsed on 31 October 2009 without SEB having used any guarantees. During the agreement period 6 May–31 October 2009 certain restrictions regarding remuneration have been applied for the five members, including the President, of the Group Executive Committee having the highest total remuneration.

- Base salary has been kept at the level before 20 October 2008.
- According to the guidelines for the Group Executive Committee remuneration there was no short-term cash based compensation.
- The executives have not participated in the Share Savings Programme 2008 during the guarantee agreement period.
- They participate in SEB's Performance Share Programmes. However performance during the guarantee agreement period will not be considered when performance under the pre-determined performance criteria is calculated for the programmes and not be included when vesting under the programmes are established for this group.
- The executives have not participated in the Share Matching Programme 2009.

Compensation to the top management, SEK

2009	Base salary	Remunerations[2]	Benefits and other[3]	Total
Chairman of the Board, Marcus Wallenberg		2,062,500		**2,062,500**
Other members of the Board		5,407,816		**5,407,816**
President and CEO, Annika Falkengren	7,000,000		1,219,923	**8,219,923**
TOTAL	**7,000,000**	**7,470,316**	**1,219,923**	**15,690,239**
2008				
Chairman of the Board, Marcus Wallenberg		2,750,000		**2,750,000**
Other members of the Board		6,200,000		**6,200,000**
President and CEO, Annika Falkengren[1]	7,000,000		1,341,351	**8,341,351**
TOTAL	**7,000,000**	**8,950,000**	**1,341,351**	**17,291,351**

1) The President has unilateraly decided to renounce her pay-out of any short-term cash based compensation for 2008.
2) As decided at AGM.
3) Includes benefits for home service, company car and vacation compensation.

Compensation to the Group Executive Committee, SEK[1]

	Base salary	Short-term cash based compensation	Benefits	Total
2009	36,772,618		1,866,516	**38,639,134**
2008[2]	23,942,932	6,250,000	1,607,257	**31,800,189**

1) Group Executive Committee including additional members excluding the President and CEO. The persons partly differ between the years but at year end eleven (seven) persons are included.
2) The short-term cash based compensation 2008 for GEC is based on Group and division specific targets i.e. operating profits, expenses and other quantitative targets. Furthermore there were individual discretionary targets. The short-term remuneration was maximised to a percentage of base salaries for all members of GEC.

Long-term equity based programmes
SEB's first long-term equity based programme was launch in 1999. Further programmes has been introduced 2000 to 2009. From 1999 to 2004 employee stock options have been used as the vehicle for SEB's long-term equity based programmes. For 2005 to 2009 performance shares have been granted. From 2008 a share saving programme has been introduced. Further a share matching programme was introduced in 2009.

Performance shares, employee stock options and deferral rights (in the share matching programme) cannot be sold nor pledged, which means that they do not have any market value. However, the calculated value for the 2009 programme at the time of the allotment was SEK 10 (55) per performance share and SEK 13 per deferral right. The allotted performance shares that can be exercised will depend on the development of two predetermined performance criteria of equal importance, total shareholder return in relation to the markets required return based on the interest of Swedish Government 10 year bonds i.e. long-term risk free interest rate (LTIR), 50 per cent, and the total shareholder return in relation to SEB's competitors, 50 per cent. The number of matching shares in the share matching programme is dependent on the development of total shareholder return in relation to LTIR.

Long-term equity based programmes (expensed amounts for ongoing programmes)

2009	Share saving	Performance shares	Share matching	Total
President and CEO, Annika Falkengren	24,281	1,672,044		**1,696,325**
Other members of the Group Executive Committee[1]	153,387	5,484,592	311,333	**5,949,312**
TOTAL	**177,668**	**7,156,636**	**311,333**	**7,645,637**
2008				
President and CEO, Annika Falkengren		2,273,789		**2,273,789**
Other members of the Group Executive Committee[1]		6,558,628		**6,558,628**
TOTAL		**8,832,417**		**8,832,417**

1) Group Executive Committee including additional members excluding the President and CEO. The persons partly differ between the years but at year end eleven (seven) persons are included.

Note 9 c ctd. Compensation to the top management and the Group Executive Committee

Number outstanding by 2009-12-31

	Number outstanding				
	President and CEO Annika Falkengren	Other members of the Group Executive Committee	Total	First day of excercise	Performance criteria
2003: Employee stock options	309,707	297,173	**606,880**	06-02-27	expire 2010-02-26
2005: Performance shares	1,466	96,037	**97,503**	08-02-14	actual vesting 62%
2006: Performance shares	53,319		**53,319**	09-02-12	actual vesting 38%
2007: Performance shares	130,231	390,069	**520,300**	10-02-17	current vesting 0%
2008: Performance shares	160,000	593,228	**753,228**	2011[1)]	current vesting 0%
2009: Performance shares	268,817	1,036,220	**1,305,037**	2012[2)]	current vesting 50%
2008: Share savings programme	1,688	5,854	**7,542**	12-02-13	–
2009: Share matching programme		143,692	**143,692**	2012[3)]	current vesting 100%

1) The fifth banking day falling after the Annual accounts for the financial year 2010 are made public.
2) As soon as practically possible following the end of the performance period, the establishing of the final outcome and registration of the final number of Performance shares in Equate plus.
3) As soon as practically possible following the end of the performance period and the establishing of the outcome of number of Matching Shares.

Employee stock options recalculated with 2.34 and performance shares with 3.20 due to rights issue. Value at grant for 2008 programme SEK 10,666,315 as reported in the annual accounts 2008. During the year the President and CEO has excerised Employee stock options/Performance share to a value of SEK 0 (7,355,262). The corresponding value for GEC excluding the President is SEK 4,902,032 (4,520,506).

Pension and severance pay

Under the pension agreement of the President, Mrs Falkengren, pension is payable from the age of 60. The pension plan is defined benefit-based and inviolable. Pension is paid at the rate of 65 per cent of the pensionable income. Pensionable income consists of base salary plus 50 per cent of the average paid short-term variable remuneration during the last three years, however limited to a maximum amount. Termination of employment by the Bank is subject to a 12-month period of notice and entitles to a severance pay of 12 months' salary.

As regards pension benefits and severance pay the following is applicable to the members of the Group Executive Committee excluding the President. The pension plans are inviolable and defined benefit-based except for four that are defined contribution-based. Pension is payable from the age of 60 at the rate of 65 per cent and for one person 70 per cent of pensionable income up to the age of 65 and at maximum 65 per cent thereafter. Pensionable income for defined benefit plans consists of base salary plus 50 per cent of the paid average short-term variable remuneration during the last three years in a majority of the agreements and for the remaining agreements pensionable income is a fixed amount.

Termination of employment by the Bank is subject to a maximum 12-month period of notice and entitles to a severance pay of 12–24 months' salary. For new agreements severance pay is 12 months' salary.

Pension costs (service costs and interest costs)

	President and CEO, Annika Falkengren	Other members of the Group Executive Committee[1)]	Total
2009	5,963,211	19,898,550	**25,861,761**
2008	7,367,039	14,346,154	**21,713,193**

1) Group Executive Committee including additional members excluding the President and CEO. The persons partly differ between the years but at year end eleven (seven) persons are included.

Related party disclosures*

	Group	
Loans to conditions on the market	2009	2008
Top management and the Group Executive Committee	83,054,514	60,937,605
Other related parties	12,412,000	8,752,920
TOTAL	**95,466,514**	**69,690,525**

* For information about related parties such as Group companies and Associated companies see note 47.

9 d Share-based payments

	2009				2008	
Long-term incentive programmes	Share matching programme	Share savings programme	Performance shares	Employee stock options	Performance shares	Employee stock options
Outstanding at the beginning of the year			14,304,746	7,832,177	13,226,256	10,957,686
Granted	1,715,401	3,050,162	5,493,837		4,669,706	
Forfeited		–71,215	–489,294	–186,249[1)]	–2,363,152	–242,812[1)]
Exercised			–850,676	–681,155[2)]	–1,228,064	–2,882,697[2)]
Expired		–229	–2,528,198	–3,610,358		
OUTSTANDING AT THE END OF THE YEAR	**1,715,401**	**2,978,718**	**15,930,415**	**3,354,415**	**14,304,746**	**7,832,177**
of which exercisable			2,551,927	3,354,415	1,900,739	7,832,177

1) Weighted average exercise price SEK 17.13 (21.37).
2) Weighted average exercise price SEK 21.03 (89.08) and weighted average share price at exercise SEK 42.18 (149.89).

Note 9 d ctd. Share-based payments

Total Long-term incentive programmes

	Original no of holders[4]	No of issued	No of out-standing 2009	No of out-standing 2008	A-share per option/share	Exercise price	Validity	First date of exercise
2001: Employee stock options	874	15,476,271			1	50.40	2001–2008	04-03-05
2002: Employee stock options	1,029	15,890,034		3,687,578	1	45.40	2002–2009	05-03-07
2003: Employee stock options	792	14,508,000	3,354,415	4,144,599	1	34.8	2003–2010	06-02-27
2004: Employee stock options	799	14,508,000			1	51.30	2004–2011	07-04-02
2005: Performance shares	537	5,725,120	1,496,908	1,900,739	1	10	2005–2012	08-02-14
2006: Performance shares	513	4,727,446	1,055,019	4,071,725	1	10	2006–2013	09-02-12
2007: Performance shares	509	4,044,928	3,456,695	3,680,976	1	10	2007–2014	10-02-17
2008: Performance shares	485	4,669,706	4,450,356	4,651,306	1	10	2008–2015	2011[1]
2009: Performance shares	344	5,493,837	5,471,437		1	10	2009–2016	2012[2]
2008: Share savings programme	7,300	3,818,031	2,978,718		1 or 2.34		2008–2013	12-02-13
2009: Share matching programme	58	5,265,689	1,715,401		3 or 4		2009–2012	2012[3]
TOTAL		**94,127,062**	**23,978,949**	**22,136,923**				

1) The fifth banking day falling after the Annual accounts for the financial year 2010 are made public.
2) As soon as practically possible following the end of the performance period, the establishing of the final outcome and registration of the final number of Performance shares in Equate plus.
3) As soon as practically possible following the end of the performance period, the establishing of the outcome of number of Matching Shares and the allocation of the A-shares and, if applicable, the Matching Shares.
4) In total approximately 8,600 individuals have participated in all programmes.

Employee stock options recalculated with 2.34 and performance shares with 3.20 due to rights issue.

Long-term incentive programme
The first long-term incentive programme was launched in 1999 in the form of an employee stock option programme. Further employee stock option programmes have been issued for 2000–2004. All programmes have a maximum term of seven years, a vesting period of three years and an exercise period of four years, and are settled with SEB Class A-shares. The 2002 programme matured in 2009.

The long-term Incentive programmes issued during 2005–2009 have a new structure compared with the programmes from 1999–2004. These programmes are based on performance shares. The maximum term, vesting and exercise periods are the same but the allotted performance shares that can be exercised will depend on the development of two predetermined performance criteria of equal importance. In the 2009 programme the allocation to a participant is awarded 50 per cent depending on SEB's performance relative to a total shareholders return benchmark and 50 per cent on SEB's total shareholder return outperformance of the long-term interest rate (LTIR). The expected vesting is approximately 49 per cent at time of grant of the preliminary allotted performance shares. During the exercise period and unless the performance shares have been exercised, the performance share holder is compensated for the dividend decided by the Annual General Meeting ("AGM"), by recalculating the number of Class A-shares that the performance share holder is entitled to. Performance shares are not securities that can be sold, pledged or transferred to another party. However, an estimated value per performance share has been calculated for 2009 to SEK 10 (55) (based upon an average closing price of one SEB Series A share at the time of grant during the month of June). Other inputs to the options pricing model are; exercise price SEK 10 (10); volatility 44 (26) (based on historical values); expected dividend approximately 3.31 (2.95) per cent; risk free interest rate 1.43 (3.68) and expected early exercise of 3 (3) per cent. In the value of the option the expected outcome of the performance criteria described above are taken into account.

Further details of the outstanding programmes are found in the table above.

The 2006 programme vested in 2009 with a final outcome of 38 per cent i.e. 38 per cent of the initially allotted performance shares can be exercised.

At the AGM 2008 and 2009 two further programmes were decided, a share savings programme for all employees and a share matching programme for a small number of selected top performers.

In the share savings programme the participants can save a maximum of five per cent of their gross base salary during a twelve months period. For the savings amount, Class A- shares are purchased at current stock exchange rate four times a year following the publication of the Bank's quarterly reports. If the shares are retained by the employee for three years and the employee remains with SEB, SEB will give the employee one Class A-share for each retained share free of charge. The first purchase in the 2009 year programme was performed after the publication of the annual accounts in February 2009. Twelve countries are included in the 2009 programme.

The share matching programme is based on performance, has a vesting period of three years and is settled with SEB Class A-shares. The programme contains a mandatory deferral for three years of 25 per cent of the outcome of the short-term variable remuneration. The deferred amounts are allocated to a deferral incentive pool and a determined number of deferral rights are registered for each participant in the pool. One deferral right corresponds to the value of one SEB Class A-share at the time for allocation. Three years from allocation the participant receives one SEB Class A-share for each deferral right and not more than four matching shares. The number of matching shares will depend on the development of one predetermined performance criterion measured as SEB's total shareholder return outperformance of LTIR. The expected vesting at time of grant is approximately 42 per cent. Deferral rights are not securities that can be sold, pledged or transferred to another party.

9 e Sick leave rate

Sick leave rate by gender and age group in parent company, %

	Long-term sick leave			Total sick leave		
2009	Men	Women	Total	Men	Women	Total
–29 years	0.3	0.6	**0.4**	1.8	3.0	**2.5**
30–49 years	0.5	1.5	**1.0**	1.7	3.5	**2.6**
50– years	0.7	3.5	**2.1**	2.2	5.8	**3.9**
TOTAL	**0.5**	**2.0**	**1.3**	**1.9**	**4.0**	**3.0**
2008						
–29 years	0.1	0.8	**0.5**	1.7	3.3	**2.5**
30–49 years	0.6	2.4	**1.5**	1.8	4.3	**3.1**
50– years	1.2	4.4	**2.9**	2.6	6.8	**4.7**
TOTAL	**0.7**	**2.8**	**1.8**	**2.0**	**4.9**	**3.5**

9 f Number of employees

Average number of full time equivalents

Division/supportfunction	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Merchant Banking	2,630	2,721	1,628	1,632
Retail Banking	5,078	5,346	2,581	2,762
Wealth Management	1,016	1,133	427	457
Life	1,191	1,233	4	4
Baltic	3,275	3,404	4	
New Markets	1,243	1,534	1	1
Group Operations	2,183	2,251	1,292	1,304
Group IT	1,965	1,958	1,403	1,402
Group Staff and Group Treasury	1,654	1,711	843	859
TOTAL	**20,233**	**21,291**	**8,183**	**8,421**
Number of hours worked			14,127,540	14,590,444

Average number of employees

2009	Group Men	Group Women	Group Total	Parent company Men	Parent company Women	Parent company Total
Sweden	4,153	4,547	**8,700**	3,639	3,902	**7,541**
Norway	297	237	**534**	114	77	**191**
Denmark	424	336	**760**	126	78	**204**
Finland	163	182	**345**	94	91	**185**
Estonia	374	1,326	**1,700**			
Latvia	410	1,200	**1,610**	49	113	**162**
Lithuania	649	1,613	**2,262**	23	61	**84**
Germany	1,778	1,804	**3,582**	84	14	**98**
Poland	39	44	**83**	14	16	**30**
Ukraine	361	876	**1,237**			
China	9	13	**22**	9	13	**22**
Great Britain	126	73	**199**	117	69	**186**
France	4	15	**19**	4	15	**19**
Ireland	10	18	**28**			
Luxembourg	113	115	**228**			
Russia	48	108	**156**			
Singapore	36	56	**92**	31	54	**85**
United States	41	17	**58**			
Other[1]	16	9	**25**			
TOTAL	**9,051**	**12,589**	**21,640**	**4,304**	**4,503**	**8,807**

2008	Group Men	Group Women	Group Total	Parent company Men	Parent company Women	Parent company Total
Sweden	4,186	4,698	**8,884**	3,661	4,037	**7,698**
Norway	304	260	**564**	103	62	**165**
Denmark	424	349	**773**	133	81	**214**
Finland	160	183	**343**	90	88	**178**
Estonia	384	1,395	**1,779**			
Latvia	436	1,341	**1,777**	43	102	**145**
Lithuania	627	1,581	**2,208**	9	28	**37**
Germany	1,818	1,805	**3,623**	93	15	**108**
Poland	46	38	**84**	18	16	**34**
Ukraine	450	985	**1,435**			
China	8	10	**18**	8	10	**18**
Great Britain	124	72	**196**	124	72	**196**
France	3	17	**20**	3	17	**20**
Ireland	8	18	**26**			
Luxembourg	110	116	**226**			
Russia	53	122	**175**			
Singapore	38	54	**92**	31	53	**84**
United States	42	19	**61**			
Other[1]	18	9	**27**	2		**2**
TOTAL	**9,239**	**13,072**	**22,311**	**4,318**	**4,581**	**8,899**

1) Switzerland, British Virgin Island and Brazil.

10 Other expenses

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Costs for premises[1]	–2,104	–1,880	–957	–883
Data costs	–2,993	–2,866	–1,427	–1,447
Stationery	–172	–194	–60	–78
Travel and entertainment	–442	–527	–264	–302
Postage	–246	–250	–236	–227
Consultants	–1,042	–995	–735	–696
Marketing	–520	–720	–218	–285
Information services	–420	–388	–312	–286
Other operating costs[2]	–189	178	–239	–260
TOTAL	**–8,128**	**–7,642**	**–4,448**	**–4,464**
1) Of which rental costs	–1,548	–1,339	–711	–655

2) Net after deduction for capitalised costs, see also note 27.

Fees and expense allowances to appointed auditors and audit firms [1]

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
PricewaterhouseCoopers	–53	–60	–10	–10
Other audit firms	–2	–2		
Audit assignments	**–55**	**–62**	**–10**	**–10**
PricewaterhouseCoopers	–36	–49	–21	–15
Other audit firms	–4	–3		
Other assignments	**–40**	**–52**	**–21**	**–15**
TOTAL	**–95**	**–114**	**–31**	**–25**

1) The parent company includes the foreign branches.

Audit assignment is defined as the audit of annual financial statements, the administration of the Board of Directors and the President, other tasks resting upon the auditor as well as consulting and other assistance, which have been initiated by the findings in performing audit work or implementation of such tasks. All other work is referred to as other assignments.

11 Depreciation, amortisation and impairments of tangible and intangible assets

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Depreciation of tangible assets	–636	–641	–4,605	–4,703
Amortisation of intangible assets	–394	–351	–129	–106
Amortisation of deferred acquisition costs	–611	–519		
Impairment of tangible assets	–8	–3		
Impairment of intangible assets	–77	–10	–77	–11
Impairment of goodwill	–2,969		–314	
TOTAL	**–4,695**	**–1,524**	**–5,125**	**–4,820**

Office equipment is depreciated according to plan, which specifies that personal computers and similar equipment are depreciated over three years and other office equipment over maximum eight years. Properties are depreciated according to plan. See further note 27.

12 Gains less losses on disposals of tangible and intangible assets

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Properties		2		
Other tangible assets	43	62	11	6
Gains on disposals	**43**	**64**	**11**	**6**
Properties	–10	–1		
Other tangible assets	–29	–58		
Losses on disposals	**–39**	**–59**		
TOTAL	**4**	**5**	**11**	**6**

13 Net credit losses

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Provisions:				
Net collective provisions for individually assessed loans	–1,844	–712	150	–363
Net collective provisions for portfolio assessed loans	–1,962	–591	–39	–30
Specific provisions	–7,256	–1,718	–673	–347
Reversal of specific provisions no longer required	621	336	103	39
Net provisions for contingent liabilities	–224	–56	–45	
Net provisions	**–10,665**	**–2,741**	**–504**	**–701**
Write-offs:				
Total write-offs	–2,615	–1,428	–814	–192
Reversal of specific provisions utilized for write-offs	688	699	286	70
Write-offs not previously provided for	–1,927	–729	–528	–122
Recovered from previous write-offs	144	239	48	50
Net write-offs	**–1,783**	**–490**	**–480**	**–72**
TOTAL	**–12,448**	**–3,231**	**–984**	**–773**

14 Appropriations

	Parent company 2009	Parent company 2008
Compensation from pension funds, pension disbursements	801	803
Pension disbursements	–801	–803
Pension compensation	**0**	**0**
Accelerated tax depreciation	–1,510	–2,117
Appropriations	**–1,510**	**–2,117**
TOTAL	**–1,510**	**–2,117**

15 Income tax expense

Major components of tax expense	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Current tax	–1,621	–2,907	–1,451	–4
Deferred tax	–376	500	–1,338	1,338
Tax for current year	–1,997	–2,407	–2,789	1,334
Current tax for previous years	–203	–14	–206	–34
INCOME TAX EXPENSE	**–2,200**	**–2,421**	**–2,995**	**1,300**
Relationship between tax expenses and accounting profit				
Net profit	1,172	10,050	6,964	8,215
Income tax expense	2,200	2,421	2,995	–1,300
Accounting profit before tax	**3,372**	**12,471**	**9,959**	**6,915**
Current tax at Swedish statutory rate of 26.3 per cent	–905	–3,492	–2,620	–1,936
Tax effect relating to other tax rates in other jurisdictions	–743	91		
Tax effect relating to not tax deductible expenses	–581	–614	–1,500	–155
Tax effect relating to non taxable income	681	1,131	784	2,087
Tax effect relating to a previously recognised tax loss, tax credit or temporary difference	–69	–76	1,885	
Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference	–4	53		
Current tax	**–1,621**	**–2,907**	**–1,451**	**–4**
Tax effect relating to origin and reversal of tax losses, tax credits and temporary differences	69	76	–1,338	1,424
Tax effect relating to changes in tax rates or the imposition of new taxes	–282	357		–86
Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference	–151	68		
Tax effect relating to impairment or reversal of previous impairments of a deferred tax asset	–12	–1		
Deferred tax	**–376**	**500**	**–1,338**	**1,338**
Current tax for previous years	**–203**	**–14**	**–206**	**–34**
INCOME TAX EXPENSE	**–2,200**	**–2,421**	**–2,995**	**1,300**

In Lithuania the income tax rate was reduced from 20 per cent to 15 per cent. The decision was taken in the fourth quarter 2009 with effect from January 2010.
See also note 28 Other assets for current and deferred tax assets and note 34 Other liabilities for current and deferred tax liabilities.

Note 15 ctd. Income tax expense

Deferred tax income and expense recognised in income statement	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Accelerated tax depreciation	–181	–534		
Pension plan assets, net	–108	143		
Tax losses carry forwards	–757	1,472	1,338	1,338
Other temporary differences	670	–581		
TOTAL	**–376**	**500**	**1,338**	**1,338**

Deferred tax assets and liabilites where the change during 2009 is not reported as change in deferred tax amounts to SEK –869m and is explained by deferred tax related to life insurance investments SEK –903m, and currency translatation effect of SEK 34m.

16 Earnings per share

	Group 2009	Group 2008
Net profit attributable to equity holders, SEK m	1,114	10,041
Weighted average number of shares, millions	1,906	969
Basic earnings per share[1], SEK	0.58	10.36
Net profit attributable to equity holders, SEK m	1,114	10,041
Weighted average number of diluted shares, millions	1,911	969
Diluted earnings per share[2], SEK	0.58	10.36

1) Basic earnings per share for continuing operations was 0.58 (10.36).
2) Diluted earnings per share for continuing operations was 0.58 (10.36).

Weighted average number of shares 2008 have been adjusted for the bonus element (1.41) of the rights issue in March 2009.

17 Risk disclosures

Disclosures about credit risk, market risk, insurance risk, operational risk, business and strategic risk together with liquidity risk and financing and the management of those risks are found under the section Risk and Capital Management (page 40–56) of the Report of directors, which also forms part of the financial statements.

17 a Credit exposure by industry[1]

Group	Loans 2009	Loans 2008	Contingent liabilities 2009	Contingent liabilities 2008	Derivative instruments 2009	Derivative instruments 2008	Total 2009	Total 2008
Banks	**214,342**	**177,766**	**29,597**	**38,238**	**65,771**	**69,592**	**309,710**	**285,596**
Finance and insurance	39,023	38,230	24,523	34,993	10,091	19,943	**73,637**	**93,166**
Wholesale and retail	39,006	54,951	31,804	30,815	463	933	**71,273**	**86,699**
Transportation	31,668	33,950	13,749	8,167	649	650	**46,066**	**42,767**
Shipping	27,623	27,829	9,017	9,559	493	824	**37,133**	**38,212**
Business and household services	69,994	94,199	38,512	48,050	4,115	6,373	**112,621**	**148,622**
Construction	9,957	12,337	10,169	9,740	59	315	**20,185**	**22,392**
Manufacturing	82,050	103,002	100,850	105,752	5,408	12,157	**188,308**	**220,911**
Agriculture, forestry and fishing	6,388	7,882	1,278	1,655	44	146	**7,710**	**9,683**
Mining and quarrying	8,558	9,966	7,055	8,295	479	1,701	**16,092**	**19,962**
Electricity, gas and water suppply	24,759	25,179	20,780	18,477	3,927	5,177	**49,466**	**48,833**
Other	26,470	37,554	4,173	11,654	2,666	1,223	**33,309**	**50,431**
Corporates	**365,496**	**445,079**	**261,910**	**287,157**	**28,394**	**49,442**	**655,800**	**781,678**
Commercial	131,712	143,303	14,187	22,454	3,578	3,617	**149,477**	**169,374**
Multi-family	86,967	84,507	8,272	6,320	2,035	2,136	**97,274**	**92,963**
Property Management	**218,679**	**227,810**	**22,459**	**28,774**	**5,613**	**5,753**	**246,751**	**262,337**
Public Administration	**80,952**	**100,418**	**11,085**	**12,980**	**2,666**	**5,544**	**94,703**	**118,942**
Household mortgage	369,988	349,885	24,314	20,763			**394,302**	**370,648**
Other	58,660	60,738	56,486	54,274	17	36	**115,163**	**115,048**
Households	**428,648**	**410,623**	**80,800**	**75,037**	**17**	**36**	**509,465**	**485,696**
Credit portfolio	**1,308,117**	**1,361,696**	**405,851**	**442,186**	**102,461**	**130,367**	**1,816,429**	**1,934,249**
Repos							**60,036**	**31,433**
Debt instruments							**361,181**	**399,309**
TOTAL							**2,237,646**	**2,364,991**

1) Total credit exposure comprises the Group's credit portfolio (loans, leasing agreements, contingent liabilities and counterparty risks arising from derivatives contracts), repos and debt instruments. Exposures are presented before reserves. Derivatives and repos are reported after netting agreements but before collateral arrangements and includes add-ons for potential future exposure. Debt instruments comprise all interest-bearing instruments booked under loans and receivables, held for investment, treasury and client trading purposes. Life divisions' possessions in debt instruments are not included in the credit exposure.

17 b Credit portfolio by industry and geography*

Group 2009	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Banks	**178,418**	**24,663**	**8,873**	**1,596**	**169**	**685**	**411**	**78,964**	**15,931**	**309,710**
Finance and insurance	44,884	554	2,381	616	258	633	334	19,396	4,581	**73,637**
Wholesale and retail	31,563	1,668	1,741	215	3,135	4,975	9,482	13,962	4,532	**71,273**
Transportation	28,478	406	1,046	167	1,319	2,118	4,384	7,716	432	**46,066**
Shipping	29,178	302	1,515	135	923	236	292	37	4,515	**37,133**
Business and household services	82,473	650	3,407	196	2,498	1,820	2,973	17,560	1,044	**112,621**
Construction	9,473	79	411	427	1,392	1,814	1,970	4,381	238	**20,185**
Manufacturing	129,165	1,764	3,730	5,151	4,126	2,624	8,583	26,572	6,593	**188,308**
Agriculture, forestry and fishing	3,496	206	48		1,102	2,042	655	143	18	**7,710**
Mining and quarrying	12,696		2,323	346	93	123	112	387	12	**16,092**
Electricity, gas and water supply	28,878	207	1,112	4,950	2,947	1,064	2,467	7,722	119	**49,466**
Other	16,252	3,135	4,096	126	367	367	584	3,787	4,595	**33,309**
Corporates	**416,536**	**8,971**	**21,810**	**12,329**	**18,160**	**17,816**	**31,836**	**101,663**	**26,679**	**655,800**
Commercial	63,189	142	5,480	545	7,213	4,460	13,634	54,132	682	**149,477**
Multi-family	65,020	1	8			2,570	30	29,636	9	**97,274**
Property Management	**128,209**	**143**	**5,488**	**545**	**7,213**	**7,030**	**13,664**	**83,768**	**691**	**246,751**
Public Administration	**23,254**	**105**	**272**	**660**	**2,238**	**287**	**2,445**	**65,378**	**64**	**94,703**
Household mortgage	266,060		3,528		16,821	10,448	22,784	72,472	2,189	**394,302**
Other	40,198	5,951	29,771	1,541	3,652	3,586	2,517	24,973	2,974	**115,163**
Households	**306,258**	**5,951**	**33,299**	**1,541**	**20,473**	**14,034**	**25,301**	**97,445**	**5,163**	**509,465**
CREDIT PORTFOLIO	**1,052,675**	**39,833**	**69,742**	**16,671**	**48,253**	**39,852**	**73,657**	**427,218**	**48,528**	**1,816,429**

Group 2008	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Banks	**178,772**	**10,131**	**8,005**	**2,218**	**194**	**1,102**	**579**	**68,140**	**16,455**	**285,596**
Finance and insurance	57,273	2,131	1,527	667	183	1,194	508	16,031	13,651	**93,165**
Wholesale and retail	36,224	1,043	1,057	176	5,156	7,207	14,193	16,863	4,780	**86,699**
Transportation	26,029	468	1,153	206	1,950	2,838	6,682	3,038	404	**42,768**
Shipping	29,276	472	1,319	118	1,094	302	368	36	5,228	**38,213**
Business and household services	95,083	855	4,877	364	2,950	2,397	4,391	36,055	1,650	**148,622**
Construction	8,885	95	748	96	1,979	2,935	3,269	4,073	312	**22,392**
Manufacturing	152,502	1,371	2,850	3,888	5,233	3,674	12,377	31,794	7,222	**220,911**
Agriculture, forestry and fishing	3,851	398	10	25	1,523	2,746	926	190	14	**9,683**
Mining and quarrying	15,194		2,935	201	44	147	132	739	570	**19,962**
Electricity, gas and water supply	29,250	207	1,589	5,207	2,223	1,416	2,810	6,024	108	**48,834**
Other	32,747	1,072	3,596	151	492	403	777	5,266	5,924	**50,428**
Corporates	**486,314**	**8,112**	**21,661**	**11,099**	**22,827**	**25,259**	**46,433**	**120,109**	**39,863**	**781,677**
Commercial	60,461	263	6,490	567	8,522	4,635	16,106	71,679	652	**169,375**
Multi-family	58,423	1				2,458	26	32,010	44	**92,962**
Property Management	**118,884**	**264**	**6,490**	**567**	**8,522**	**7,093**	**16,132**	**103,689**	**696**	**262,337**
Public Administration	**31,696**	**130**	**299**	**408**	**2,365**	**364**	**3,192**	**78,919**	**1,569**	**118,942**
Household mortgage	230,284		3,687		18,349	11,665	25,472	79,398	1,793	**370,648**
Other	38,824	6,904	27,536	1,750	4,357	4,272	3,405	25,012	2,989	**115,049**
Households	**269,108**	**6,904**	**31,223**	**1,750**	**22,706**	**15,937**	**28,877**	**104,410**	**4,782**	**485,697**
CREDIT PORTFOLIO	**1,084,774**	**25,541**	**67,678**	**16,042**	**56,614**	**49,755**	**95,213**	**475,267**	**63,365**	**1,934,249**

* The geographical distribution is based on where the loan is booked. Amounts before provisions for credit losses.

17 c Loan portfolio by industry and geography*

Group 2009	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Banks	**118,428**	**20,797**	**1,464**	**422**	**163**	**655**	**241**	**60,762**	**11,409**	**214,341**
Finance and insurance	20,303	249	622	109	53	628	42	12,973	4,043	**39,022**
Wholesale and retail	17,211	779	483	136	2,556	3,787	7,377	5,508	1,168	**39,005**
Transportation	22,153	153	621	2	1,171	1,867	3,929	1,393	379	**31,668**
Shipping	21,545	302	948	135	807	229	287	32	3,338	**27,623**
Business and household services	47,725	372	1,747	15	2,283	1,651	2,245	13,269	687	**69,994**
Construction	4,309	73	159	40	718	1,382	1,220	1,999	56	**9,956**
Manufacturing	52,461	946	1,096	3,819	3,070	2,204	6,931	9,250	2,273	**82,050**
Agriculture, forestry and fishing	2,613	36	38		1,053	1,924	619	98	9	**6,390**
Mining and quarrying	7,870		38	346	89	106	102	8	1	**8,560**
Electricity, gas and water supply	12,099	22	75	4,901	1,758	901	1,236	3,723	44	**24,759**
Other	12,785	760	3,984	79	355	362	565	3,866	3,713	**26,469**
Corporates	**221,074**	**3,692**	**9,811**	**9,582**	**13,913**	**15,041**	**24,553**	**52,119**	**15,711**	**365,496**
Commercial	55,130	142	3,142	535	7,033	4,388	13,131	47,530	681	**131,712**
Multi-family	57,756	1				2,421	25	26,755	9	**86,967**
Property Management	**112,886**	**143**	**3,142**	**535**	**7,033**	**6,809**	**13,156**	**74,285**	**690**	**218,679**
Public Administration	**12,184**	**105**	**241**	**660**	**1,873**	**258**	**1,936**	**63,632**	**64**	**80,953**
Household mortgage	247,378		3,528		16,803	10,443	22,383	67,264	2,189	**369,988**
Other	23,809	2,685	11,779	836	2,938	2,901	2,014	8,741	2,957	**58,660**
Households	**271,187**	**2,685**	**15,307**	**836**	**19,741**	**13,344**	**24,397**	**76,005**	**5,146**	**428,648**
Loan portfolio	**735,759**	**27,422**	**29,965**	**12,035**	**42,723**	**36,107**	**64,283**	**326,803**	**33,020**	**1,308,117**
Repos, credit institutions										**42,324**
Repos, general public										**61,594**
Debt instruments reclassified										**125,339**
Reserves										**–18,077**
TOTAL LENDING										**1,519,297**

Group 2008	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Banks	**110,680**	**5,910**	**1,028**	**799**	**182**	**1,058**	**525**	**44,928**	**12,656**	**177,766**
Finance and insurance	20,895	1,974	368	145	6	1,154	75	10,408	3,205	**38,230**
Wholesale and retail	24,400	265	707	101	3,578	4,999	10,819	7,363	2,719	**54,951**
Transportation	21,389	120	820	44	1,761	2,416	5,899	1,172	329	**33,950**
Shipping	21,621	424	625	118	939	281	365	31	3,425	**27,829**
Business and household services	58,487	555	2,581	139	2,630	2,044	2,967	24,238	558	**94,199**
Construction	4,766	90	458	96	971	1,928	2,041	1,935	52	**12,337**
Manufacturing	66,344	890	243	3,229	4,118	2,758	9,468	14,082	1,870	**103,002**
Agriculture, forestry and fishing	2,734	212	4	25	1,429	2,534	811	123	10	**7,882**
Mining and quarrying	9,355			201	41	118	115	8	336	**10,174**
Electricity, gas and water supply	13,915	11	65	5,135	1,699	1,122	1,423	1,805	4	**25,179**
Other	21,035	1,071	3,284	83	474	395	724	4,831	5,449	**37,346**
Corporates	**264,941**	**5,612**	**9,155**	**9,316**	**17,646**	**19,749**	**34,707**	**65,996**	**17,957**	**445,079**
Commercial	52,789	263	3,155	549	8,049	4,556	14,650	58,640	652	**143,303**
Multi-family	52,903	1	1			2,416	23	29,120	43	**84,507**
Property Management	**105,692**	**264**	**3,156**	**549**	**8,049**	**6,972**	**14,673**	**87,760**	**695**	**227,810**
Public Administration	**18,251**	**130**	**258**	**408**	**1,970**	**302**	**2,789**	**74,748**	**1,562**	**100,418**
Household mortgage	217,944		3,687		18,274	11,649	23,869	72,669	1,793	**349,885**
Other	23,429	3,076	11,385	769	3,489	3,481	2,893	9,438	2,779	**60,739**
Households	**241,373**	**3,076**	**15,072**	**769**	**21,763**	**15,130**	**26,762**	**82,107**	**4,572**	**410,624**
Loan portfolio	**740,937**	**14,992**	**28,669**	**11,841**	**49,610**	**43,211**	**79,456**	**355,539**	**37,442**	**1,361,697**
Repos, credit institutions										**42,201**
Repos, general public										**60,269**
Debt instruments reclassified										**108,192**
Reserves										**–9,219**
TOTAL LENDING										**1,563,140**

* The geographical distribution is based on where the loan is booked.

17 d Impaired loan by industry and geography*

Group 2009	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Banks	**339**	**2**						**1**		**342**
Finance and insurance	2		3	5	1			28		**39**
Wholesale and retail	100				150	212	757	367		**1,586**
Transportation	43				54	123	1,074	3		**1,297**
Shipping							8			**8**
Business and household services	165	124			92	97	699	132		**1,309**
Construction	31	16			87	390	247	121		**892**
Manufacturing	176				369	322	808	415	431	**2,521**
Agriculture, forestry and fishing	30				29	95	42	1		**197**
Mining and quarrying	1				1	26	4			**32**
Electricity, gas and water supply					13	43		10		**66**
Other	189	22	163				1	96	420	**891**
Corporates	**737**	**162**	**166**	**5**	**796**	**1,308**	**3,640**	**1,173**	**851**	**8,838**
Commercial	113				1,119	1,743	4,746	2,530	9	**10,260**
Multi-family	48					369		450		**867**
Property Management	**161**	**0**	**0**		**1,119**	**2,112**	**4,746**	**2,980**	**9**	**11,127**
Public Administration										
Household mortgage	12		41					649		**702**
Other		11	92		9	132	70			**314**
Households	**12**	**11**	**133**		**9**	**132**	**70**	**649**		**1,016**
IMPAIRED LOANS	**1,249**	**175**	**299**	**5**	**1,924**	**3,552**	**8,456**	**4,803**	**860**	**21,323**

Group 2008	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Banks	**320**							**6**		**326**
Finance and insurance				5				33		**38**
Wholesale and retail	327				87	19	223	421		**1,077**
Transportation	6				33	12	93	14		**158**
Shipping	11				1					**12**
Business and household services	30	143			15	35	662	133		**1,018**
Construction	3				38	84	49	157		**331**
Manufacturing	151				209	154	411	458	209	**1,592**
Agriculture, forestry and fishing	1				4	53	3	5		**66**
Mining and quarrying										
Electricity, gas and water supply						45		13		**58**
Other	153	29	183		1	33		218	37	**654**
Corporates	**682**	**172**	**183**	**5**	**388**	**435**	**1,441**	**1,452**	**246**	**5,004**
Commercial	16				305	139	855	2,848	10	**4,173**
Multi-family	94					12		614		**720**
Property Management	**110**				**305**	**151**	**855**	**3,462**	**10**	**4,893**
Public Administration										
Household mortgage	15		27					651		**693**
Other	39	2	21		17		14	136	266	**495**
Households	**54**	**2**	**48**		**17**		**14**	**787**	**266**	**1,188**
IMPAIRED LOANS	**1,166**	**174**	**231**	**5**	**710**	**586**	**2,310**	**5,707**	**522**	**11,411**

* The geographical distribution is based on where the loan is booked. Amounts before provisions for credit losses.

17 e Portfolio assessed loans*

Loans past due > 60 days

Group 2009	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Corporates	**30**	**12**	**91**	**4**	**210**	**268**	**268**		**177**	**1,060**
Household mortgage	320				701	1,527	776	135	363	**3,822**
Other	528	343	398	96	129	387	174			**2,055**
Households	**848**	**343**	**398**	**96**	**830**	**1,914**	**950**	**135**	**363**	**5,877**
LOANS PAST DUE	**878**	**355**	**489**	**100**	**1,040**	**2,182**	**1,218**	**135**	**540**	**6,937**

Group 2008	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Corporates	**29**	**16**	**61**	**5**	**105**	**136**	**80**			**432**
Household mortgage	361				394	419	362			**1,536**
Other	128	243	370	55	81	205	114			**1,196**
Households	**489**	**243**	**370**	**55**	**475**	**624**	**476**			**2,732**
LOANS PAST DUE	**518**	**259**	**431**	**60**	**580**	**760**	**556**			**3,164**

* The geographical distribution is based on where the loan is booked. Amounts before provisions for credit losses.

Restructured loans

Group 2009	Sweden	Denmark	Norway	Finland	Estonia	Latvia	Lithuania	Germany	Other	Total
Corporates										
Household mortgage					19	122	170			**311**
Other						1				**1**
Households					**19**	**123**	**170**			**312**
LOANS PAST DUE					**19**	**123**	**170**			**312**

* The geographical distribution is based on where the loan is booked. Amounts before provisions for credit losses. No restructured loans in 2008.

17 f Liquidity risk

The Group manages the liquidity risk and financing based on the possibility of a negative deviation from an expected financial outcome. Liquidity risk is defined as the risk for a loss or substantially higher costs than calculated due to inability of the Group to meet its payment commitments on time. The table below presents cash flows by remaining contractual maturities at the balance sheet date and applies the earliest date which the Group can be required to pay regardless of probability assumptions. The amounts disclosed in maturities are un-discounted cash flows. Trading positions, excluding derivative fair values based on discounted cash flows, are reported within < 3 months, though contractual maturity may extend over longer periods, which reflects the short-term nature of the trading activities. Off-balance sheet items such as loan commitments are reported within < 3 months to reflect the on demand character of the instruments. The following liabilities recognized on the balance sheet are excluded as the bank does not consider them to be contractual; provisions, deferred tax and liabilities to employees for share-based incentive programmes. Derivative contracts that settle on a gross basis are part of the Group's liquidity management and the table below includes separately the gross cash flows from those contracts.

The Group's derivatives that will be settled on a gross basis include:
– Foreign exchange derivatives: currency forward deals, currency swaps and
– Interest rate derivatives: cross currency interest rate swaps.

GROUP'S CASH LIQUIDITY 2009

Financial liabilities (contractual maturity dates)	< 3 months	3 < 12 months	1 < 5 years	> 5 years	Total
Deposits by credit institutions	296,754	83,795	5,340	17,911	**403,800**
Deposits and borrowing from the public	693,820	34,279	24,417	57,933	**810,449**
Liabilities to policyholders – investment contracts	129,339	1,596	4,075	20,850	**155,860**
Debt securities	97,332	96,529	228,493	80,254	**502,608**
Trading liabilities	61,529				**61,529**
Trade and client payables	37,760	26	14		**37,800**
Subordinated liabilities		8,746	12,174	22,302	**43,222**
Total	**1,316,534**	**224,971**	**274,513**	**199,250**	**2,015,268**
Other liabilities (non-financial)	**104,034**	**1,767**	**3,230**	**9,095**	**118,126**
Off-balance sheet items					
Loan commitments	216,592	1,607	3,328	5,799	**227,326**
Acceptances and other financial facilitites	27,392	737	709	1,135	**29,973**
Operating lease commitments	306	4	2,407	148	**2,865**
Total	**244,290**	**2,348**	**6,444**	**7,082**	**260,164**
Total liabilities and off-balance sheet items	**1,664,858**	**229,086**	**284,187**	**215,427**	**2,393,558**
Total financial assets (contractual maturity dates)[1)]	**1,776,711**	**148,643**	**223,267**	**130,796**	**2,279,417**

Note 17 f ctd. Liquidity risk

Derivatives	< 3 months	3 < 12 months	1 < 5 years	> 5 years	Total
Currency-related	2,772,778	1,059,589	222,041	62,287	**4,116,695**
Interest-related	9,098	43,889	115,760	17,158	**185,905**
Total derivative outflows	**2,781,876**	**1,103,478**	**337,801**	**79,445**	**4,302,600**
Total derivative inflows	**2,781,728**	**1,104,144**	**337,609**	**79,699**	**4,303,180**

GROUP'S CASH LIQUIDITY 2008

Financial liabilities (contractual maturity dates)	< 3 months	3 < 12 months	1 < 5 years	> 5 years	Total
Deposits by credit institutions	329,204	46,529	55,023	5,648	**436,404**
Deposits and borrowing from the public	613,082	61,112	49,717	134,688	**858,599**
Liabilities to policyholders – investment contracts	25,924	4,230	19,407	65,549	**115,110**
Debt securities	148,035	91,207	313,556	11,512	**564,310**
Trading liabilities	54,411				**54,411**
Trade and client payables	9,424	50	24		**9,498**
Subordinated liabilities	5,336	40	11,786	46,446	**63,608**
Total	**1,185,416**	**203,168**	**449,513**	**263,843**	**2,101,940**
Other liabilities (non-financial)	**130,678**	**1,843**	**3,158**	**10,085**	**145,764**
Off-balance sheet items					
Loan commitments	152,960	4,867	5,752	6,763	**170,342**
Acceptances and other financial facilitites	8,400	2,636	1,404	8,184	**20,624**
Operating lease commitments	291	1,051	441	313	**2,096**
Total	**161,651**	**8,554**	**7,597**	**15,260**	**193,062**
Total liabilities and off-balance sheet items	**1,477,745**	**213,565**	**460,268**	**289,188**	**2,440,766**
Total financial assets (contractual maturity dates)[1)]	**1,417,768**	**147,620**	**485,285**	**466,118**	**2,516,791**

Derivatives					
Currency-related	799,777	40,685	38,325	12,665	**891,452**
Interest-related	36,474	12,975	37,510	22,191	**109,150**
Total derivative outflows	**836,251**	**53,660**	**75,835**	**34,856**	**1,000,602**
Total derivative inflows	**838,117**	**59,956**	**76,250**	**41,112**	**1,015,435**

PARENT COMPANY'S CASH LIQUIDITY 2009

Financial liabilities (contractual maturity dates)	< 3 months	3 < 12 months	1 < 5 years	> 5 years	Total
Deposits by credit institutions	272,548	112,235	1,364	383	**386,530**
Deposits and borrowing from the public	482,020	7,546	1,197	87	**490,850**
Debt securities	72,223	74,545	211,232	10,784	**368,784**
Trading liabilities	58,479				**58,479**
Trade and client payables	1,698			10,727	**12,425**
Subordinated liabilities	6,622	3,154	2,299	23,422	**35,497**
Total	**893,590**	**197,480**	**216,092**	**45,403**	**1,352,565**
Other liabilities (non-financial)	**12,709**	**1**	**2**		**12,712**
Off-balance sheet items					
Loan commitments	147,991				**147,991**
Acceptances and other financial facilitites	7,802				**7,802**
Total	**155,793**				**155,793**
Total liabilities and off-balance sheet items	**1,062,092**	**197,481**	**216,094**	**45,403**	**1,521,070**
Total financial assets (contractual maturity dates)[1)]	**1,189,081**	**63,825**	**85,894**	**18,331**	**1,357,131**

Derivatives					
Currency-related	2,606,411	996,014	208,718	58,550	**3,869,693**
Interest-related	9,098	43,889	115,760	17,158	**185,905**
Total derivative outflows	**2,615,509**	**1,039,903**	**324,478**	**75,708**	**4,055,598**
Total derivative inflows	**2,615,370**	**1,040,533**	**324,282**	**75,943**	**4,056,128**

Note 17 f ctd. Liquidity risk

PARENT COMPANY'S CASH LIQUIDITY 2008

Financial liabilities (contractual maturity dates)	< 3 months	3 < 12 months	1 < 5 years	> 5 years	Total
Deposits by credit institutions	384,970	25,835	2,216	94	**413,115**
Deposits and borrowing from the public	429,555	10,375	3,951	12,905	**456,786**
Debt securities	136,321	65,253	212,640	6,814	**421,028**
Trading liabilities	49,429				**49,429**
Trade and client payables	8,001				**8,001**
Subordinated liabilities	5,205		10,919	46,337	**62,461**
Total	**1,013,481**	**101,463**	**229,726**	**66,150**	**1,410,820**
Other liabilities (non-financial)	**40,284**	**9**	**7**	**1**	**40,301**
Off-balance sheet items					
Loan commitments	146,230				**146,230**
Acceptances and other financial facilitites	6,684				**6,684**
Total	**152,914**				**152,914**
Total liabilities and off-balance sheet items	**1,206,679**	**101,472**	**229,733**	**66,151**	**1,604,035**
Total financial assets (contractual maturity dates)[1]	**1,068,897**	**68,897**	**195,149**	**124,872**	**1,457,815**
Derivatives					
Currency-related	750,607	8,518	29,905	12,719	**801,749**
Interest-related	36,474	12,433	37,325	18,953	**105,185**
Total derivative outflows	**787,081**	**20,951**	**67,230**	**31,672**	**906,934**
Total derivative inflows	**784,234**	**22,898**	**65,858**	**37,548**	**910,538**

1) Financial assets available to meet liabilities and outstanding commitments include cash, central banks balances, eligible debt instruments and loans and advances to banks and customers. Trading assets are reported within < 3 months, though contractual maturity may extend over longer periods, and insurance contracts as 5 years < reflecting the nature of trading and insurance activities.

18 Fair value measurement of financial assets and liabilities

	Group		Parent company	
Financial assets at fair value	2009	2008	2009	2008
Financial assets at fair value[1]	426,155	521,029	304,675	386,802
Available-for-sale financial assets	87,948	162,459	16,331	25,255
Investments in associates[2]	906	1,030	882	986
TOTAL	**515,009**	**684,518**	**321,888**	**413,043**
Financial liabilities at fair value				
Financial lialibilities at fair value	191,440	295,533	176,604	279,512
Debt securities[3]	25,079	28,527	17,776	20,447
TOTAL	**216,519**	**324,060**	**194,380**	**299,959**

1) Policyholders bearing the risk excluded from financial assets at fair value.
2) Venture capital activities designated at fair value through profit and loss.
3) Index linked bonds designated at fair value through profit and loss.

Fair value measurement – assets				
Level 1: Quoted market prices	180,100	166,166	18,995	30,098
Level 2: Valuation techniques – market observable input	331,379	518,352	299,407	382,945
Level 3: Valuation techniques – market non-observable input	3,530		3,486	
TOTAL	**515,009**	**684,518**	**321,888**	**413,043**
Fair value measurement – liabilities				
Level 1: Quoted market prices	17,897	30,604	14,327	17,294
Level 2: Valuation techniques – market observable input	196,609	293,456	178,040	282,665
Level 3: Valuation techniques – market non-observable input	2,013		2,013	
TOTAL	**216,519**	**324,060**	**194,380**	**299,959**

Note 18 ctd. Fair value measurement of financial assets and liabilities

Level 1: Quoted market prices
Fair value based on unadjusted quoted market prices or dealer prIce quotations for identical assets or liabilities traded in an active market.

Level 2: Valuation techniques with market observable input
Fair values are based on valuation techniques that incorporate to a significant part observable market inputs to derive the fair value. Market inputs could be both direct, as prices, or indirect being derived from prices.

Level 3: Valuation techniques – partly based on non-observable market data
Fair values are based on valuation techniques that incorporate to a less than significant part observable market inputs to fair value.

Valuation techniques used to estimate fair values may include discounted cash flows, option pricing models and comparative valuations with reference to recent transactions in the same instrument or with reference to other substantially similar financial instruments.

The Group has a limited volume of assets where the bank applies a valuation technique with less than significant part observable market inputs.

Level 3: Valuation techniques – partly based on non-observable market data

	Group 2009				Parent company 2009			
Financial assets at fair value	Equity instruments	Debt instruments	Derivatives	Total	Equity instruments	Debt instruments	Derivatives	Total
Gain/loss in Income statement	–3	–7		**–10**				
Gain/loss in Statement of comprehensive income	4	–4						
Purchases	15			**15**				
Sales	–3			**–3**				
Transfers into or out of Level 3	1,338	177	2,013	**3,528**	1,321	152	2,013	**3,486**
Exchange rate differences	1	–1						
TOTAL	**1,352**	**165**	**2,013**	**3,530**	**1,321**	**152**	**2,013**	**3,486**
Financial liabilities at fair value								
Transfers intoor out of Level 3			2,013	2,013			2,013	**2,013**
TOTAL			**2,013**	**2,013**			**2,013**	**2,013**

19 Cash and cash balances with central banks

	Group		Parent company	
	2009	2008	**2009**	2008
Cash	4,524	5,300	1,281	1,331
Balances with foreign central banks	32,065	39,552	20,534	9,339
TOTAL	**36,589**	**44,852**	**21,815**	**10,670**

20 Loans to credit institutions

	Group		Parent company	
	2009	2008	**2009**	2008
Remaining maturity				
– payable on demand	53,084	130,295	36,100	129,471
– maximum 3 months	182,503	62,513	193,183	42,372
– more than 3 months but maximum 1 year	3,106	7,711	53,965	58,530
– more than 1 year but maximum 5 years	14,344	13,662	57,440	69,769
– more than 5 years	7,225	8,588	5,247	4,569
Accrued interest	762	908	998	1,676
Loans	**261,024**	**223,677**	**346,933**	**306,387**
Eligible debt instruments[1)]	40,960			
Other debt instruments[1)]	29,267	42,427	29,267	42,427
Accrued interest	209	259	23	259
Debt instruments	**70,436**	**42,686**	**29,290**	**42,686**
TOTAL	**331,460**	**266,363**	**376,223**	**349,073**
of which repos	42,324	42,201	30,954	32,847
Average remaining maturity for Loans (years)	0.54	0.63	0.81	0.97

1) See note 41 for maturity and note 42 for issuers.

21 Loans to the public

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Remaining maturity				
– payable on demand	48,915	158,386	13,647	99,321
– maximum 3 months	222,800	168,575	187,101	108,564
– more than 3 months but maximum 1 year	144,523	141,935	104,862	98,935
– more than 1 year but maximum 5 years	431,431	444,164	314,699	320,707
– more than 5 years	282,663	313,547	64,113	78,012
Accrued interest	2,602	4,664	1,618	3,238
Loans	**1,132,934**	**1,231,271**	**686,040**	**708,777**
Eligible debt instruments[1]	8,319	5,410		
Other debt instruments[1]	46,368	59,508	46,368	59,508
Accrued interest	216	588	67	452
Debt instruments	**54,903**	**65,506**	**46,435**	**59,960**
TOTAL	**1,187,837**	**1,296,777**	**732,475**	**768,737**
of which repos	61,638	60,246	57,657	57,078
Average remaining maturity for Loans (years)	3.75	3.71	2.44	2.56

1) See note 41 for maturity and note 42 for issuers.

Financial leases

	Group 2009	Group 2008
Book value	74,848	84,669
Gross investment	84,783	101,875
Present value of minimum lease payment receivables	71,341	81,167
Unearned finance income	9,222	17,869
Reserve for impaired uncollectable minimum lease payments	–1,486	–618

	Group 2009			Group 2008		
	Book value	Gross investment	Present value	Book value	Gross investment	Present value
Remaining maturity						
– maximum 1 year	9,037	10,168	9,105	11,189	13,739	11,000
– more than 1 year but maximum 5 years	28,638	30,412	28,001	36,531	43,079	35,672
– more than 5 years	37,173	44,203	34,235	36,949	45,057	34,495
TOTAL	**74,848**	**84,783**	**71,341**	**84,669**	**101,875**	**81,167**

The largest lease engagement amounts to SEK 5.2 billion (5.3).

22 Financial assets at fair value

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Securities held for trading	187,924	161,596	168,734	131,253
Derivatives held for trading	133,230	248,426	123,753	242,882
Derivatives used for hedging	10,206	11,155	12,111	12,576
Fair value changes of hedged items in a portfolio hedge	4,026	3,503		
Financial assets – policyholders bearing the risk	155,486	114,425		
Insurance assets designated at fair value	89,140	94,818		
Other financial assets designated at fair value	1,629	1,531	77	91
FINANCIAL ASSETS AT FAIR VALUE	**581,641**	**635,454**	**304,675**	**386,802**

The category Financial assets at fair value comprises of financial instruments either classified as held for trading or financial assets designated to this category upon initial recognition. These financial assets are recognised at fair value and the value change is recognised through profit and loss.

Securities held for trading

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Equity instruments	39,403	33,949	32,606	26,084
Eligible debt instruments[1]	86,724	42,832	75,397	19,387
Other debt instruments[1]	60,772	82,509	59,928	83,868
Accrued interest	1,025	2,306	803	1,914
TOTAL	**187,924**	**161,596**	**168,734**	**131,253**

1) See note 41 for maturity and note 42 for issuers.

Note 22 ctd. Financial assets at fair value

	Group		Parent company	
Derivatives held for trading	**2009**	2008	**2009**	2008
Positive replacement values of interest-related derivatives	84,269	122,066	76,726	122,839
Positive replacement values of currency-related derivatives	41,116	114,373	39,269	108,258
Positive replacement values of equity-related derivatives	2,027	3,247	2,007	3,087
Positive replacement values of other derivatives	5,818	8,740	5,751	8,698
TOTAL	**133,230**	**248,426**	**123,753**	**242,882**
Derivatives used for hedging				
Fair value hedges	4,095	4,091	6,796	6,197
Cash flow hedges	5,315	6,379	5,315	6,379
Portfolio hedges for interest rate risk	796	685		
TOTAL	**10,206**	**11,155**	**12,111**	**12,576**
Insurance assets designated at fair value				
Equity instruments	13,305	17,331		
Other debt instruments[1)]	74,655	76,341		
Accrued interest	1,180	1,146		
TOTAL	**89,140**	**94,818**		

1) See note 41 for maturity and note 42 for issuers.

	Group		Parent company	
Other financial assets designated at fair value	**2009**	2008	**2009**	2008
Equity instruments	1,178	1,062	77	91
Eligible debt instruments[1)]	16	24		
Other debt instruments[1)]	435	445		
TOTAL	**1,629**	**1,531**	**77**	**91**

1) See note 41 for maturity and note 42 for issuers.

To significantly eliminate inconsistency in measurement and accounting the Group has chosen to designate financial assets and financial liabilities, which the unit linked insurance business give rise to, at fair value through profit or loss. This implies that changes in fair value on those investment assets (preferably funds), where the policy-holders bear the risk and the corresponding liabilities, are recognised in profit or loss. Fair value on those assets and liabilities are set by quoted market price in an active market.

23 Available-for-sale financial assets

	Group		Parent company	
	2009	2008	**2009**	2008
Equity instruments at cost	115	656	113	655
Equity instruments at fair value	2,233	1,405	1,226	862
Eligible debt instruments[1)]	63,451	126,217	442	674
Other debt instruments[1)]	21,189	32,917	14,257	24,324
Seized shares	62	50	24	11
Accrued interest	898	1,870	269	371
TOTAL	**87,948**	**163,115**	**16,331**	**26,897**

1) See note 41 for maturity and note 42 for issuers.

Equity instruments measured at cost do not have a quoted market price in an active market. Further, it has not been possible to reliably measure the fair values of those equity instruments. Most of these investments are held for strategic reasons and are not intended to be sold in the near future.

24 Held-to-maturity investments

	Group		Parent company	
	2009	2008	**2009**	2008
Other debt instruments[1)]	1,320	1,958	3,780	3,237
Accrued interest	12	39	9	26
TOTAL	**1,332**	**1,997**	**3,789**	**3,263**

1) See note 41 for maturity and note 42 for issuers.

25 Investments in associates

	Group		Parent company	
	2009	2008	2009	2008
Strategic investments	89	99	25	25
Venture capital holdings	906	1,030	882	986
TOTAL	**995**	**1,129**	**907**	**1,011**

Strategic investments	Assets[1]	Liabilities[1]	Revenues[1]	Profit or loss[1]	Book value	Ownership, %
Bankomatcentralen AB, Stockholm	1					22
Bankpension AB, Stockholm	25	3	14	–5	10	40
BDB Bankernas Depå AB, Stockholm	2,453	2 429	48	10	7	20
BGC Holding AB, Stockholm	296	112	732	32	4	33
Föreningen Bankhälsan i Stockholm, Stockholm	21	20	40		4	33
Upplysningscentralen UC AB, Stockholm	172	71	408	6		27
Vikström & Andersson AB, Stockholm						25
Parent company holdings					**25**	
Holdings of subsidiaries					**6**	
Group adjustments					**58**	
GROUP HOLDINGS					**89**	

1) Retrieved from respective Annual report 2008.

	2009		2008	
Venture capital holdings	Book value	Ownership, %	Book value	Ownership, %
3nine AB, Stockholm	20	27	20	27
Airsonett AB, Ängelholm	33	20	22	20
Ascade Holding AB, Stockholm	63	31	58	43
Askembla Growth Fund KB, Stockholm	112	25	136	25
Capres A/S, Copenhagen	33	23	35	23
Cobolt AB, Stockholm	37	40	37	40
Crossroad Loyalty Solutions AB, Gothenburg	15	46	13	30
Datainnovation i Lund AB, Lund			26	43
Exitram AB, Stockholm	23	44	23	44
Fält Communications AB, Umeå	26	47	25	47
InDex Pharmaceuticals AB, Stockholm	62	49	52	49
KMW Energi AB, Norrtälje			37	37
Neoventa Holding AB, Gothenburg	60	36	59	30
Nomad Holdings Ltd, Newcastle	37	13	36	13
NuEvolution A/S, Copenhagen	46	47	49	47
PhaseIn AB, Stockholm	73	44	64	44
Prodacapo AB, Örnsköldsvik	6	16	6	16
Quickcool AB, Lund	10	24	8	18
Sanos Bioscience A/S, Herlev	45	30	48	30
Scandinova Systems AB, Uppsala	22	29	22	29
Scibase AB, Stockholm	45	29	40	28
ShoZu Ltd, Abingdon			39	17
Signal Processing Devices Sweden AB, Linköping	29	43	29	43
Tail-f Systems AB, Stockholm	33	43	32	43
Time Care AB, Stockholm			24	43
Xylophane AB, Gothenburg	15	23	15	23
Zinwave Holdings Limited, Cambridge	37	31	31	29
Parent company holdings	**882**		**986**	
Group adjustments	**24**		**44**	
GROUP HOLDINGS	**906**		**1,030**	

Information about the corporate registration numbers and numbers of shares of the associates is available upon request.

Strategic investments in associates are in the Group accounted for using the equity method.

Investments in associates held by the venture capital organisation of the Group have in accordance with IAS 28 been designated as at fair value through profit or loss. Therefore, are these holdings accounted for under IAS 39.

Some entities where the bank has an ownership of less than 20 per cent, has been classified as investments in associates. The reason is that the bank is represented in the board of directors and participating in the policy making processes of those entities.

All financial assets within the Group's venture capital business are managed and its performance is evaluated on a fair value basis in accordance with documented risk management and investment strategies.

Fair values for investments listed in an active market are based on quoted market prices. If the market for a financial instrument is not active, fair value is established by using valuation techniques based on discounted cash flow analysis, valuation with reference to financial instruments that is substantially the same, and valuation with reference to observable market transactions in the same financial instrument.

26 Shares in subsidiaries

	Parent company 2009	2008
Swedish subsidiaries	15,801	15,801
Foreign subsidiaries	43,524	44,262
TOTAL	**59,325**	**60,063**
of which holdings in credit institutions	43,241	44,008

	2009			2008		
Swedish subsidiaries	Book value	Dividend	Ownership, %	Book value	Dividend	Ownership, %
Aktiv Placering AB, Stockholm	38		100	38		100
Enskilda Kapitalförvaltning SEB AB, Stockholm			100			100
Försäkringsaktiebolaget Skandinaviska Enskilda Captive, Stockholm	100		100	100		100
KMM i Stockholm AB, Stockholm	1		100	1		100
Parkeringshuset Lasarettet HGB KB, Stockholm			99			99
Repono Holding AB, Stockholm	5,406		100	5,406		100
SEB AB, Stockholm	6,076	1,850	100	6,076	1,775	100
SEB Baltic Holding AB, Stockholm[1)]					13	
SEB Fonder AB, Stockholm[2)]				642		100
SEB Fondinvest AB, Stockholm[2)]				69		100
SEB Förvaltnings AB, Stockholm	5		100	5		100
SEB Internal Supplier AB, Stockholm	12		100	12		100
SEB Investment Management AB, Stockholm[2)]	762		100	51		100
SEB Kort AB, Stockholm	2,260	186	100	2,260	–24	100
SEB Portföljförvaltning AB, Stockholm	1,115	25	100	1,115	125	100
SEB Strategic Investments AB, Stockholm	24		100	24		100
Skandic Projektor AB, Stockholm	1		100	1		100
Skandinaviska Kreditaktiebolaget, Stockholm			100			100
Team SEB AB, Stockholm	1		100	1		100
TOTAL	**15,801**	**2,061**		**15,801**	**1,889**	

1) Liquidated.
2) SEB Fonder and SEB Fondinvest were merged with SEB Investment Management during 2009.

Foreign subsidiaries	Book value 2009	Dividend 2009	Ownership, % 2009	Book value 2008	Dividend 2008	Ownership, % 2008
Interscan Servicos de Consultoria Ltda., São Paulo			100			100
Key Asset Management (Switzerland) SARL, Geneva			100			100
Key Asset Management (UK) Limited, London	612		100	573		100
Key Asset Management Norge ASA, Oslo	1		100	1		100
Key Capital Management Inc., Tortola	351		100	378		100
Möller Bilfinans AS, Oslo	60		51	50		51
Njord AS, Oslo			100			100
OJSB Factorial Bank, Kharkiv[1)]				785		98
OJSC SEB Bank, Kiev	99		100	318		100
SEB AG, Frankfurt am Main	21,906		100	23,524		100
SEB Asset Management America Inc., Stamford	25		100	29		100
SEB Asset Management Norge AS, Oslo	19		100	17		100
SEB Asset Management S.A., Luxembourg	5	40	100	6	–12	100
SEB Bank JSC, St Petersburg (former PetroEnergobank)	255		100	178		100
SEB Banka, AS, Riga	1,632		100	699		100
SEB bankas, AB, Vilnius	4,711		100	3,056		100
SEB Enskilda AS, Oslo	780	93	100	704	206	100
SEB Enskilda Inc., New York	31	–12	100	35	70	100
SEB Ensklida Corporate Finance Oy Ab, Helsinki	3		51	5		65
SEB Fund Services S.A., Luxembourg	105		100	111		100
SEB Gyllenberg Asset Management Ab, Helsinki (former SEB Gyllenberg Ab)	558	–11	100	595	133	100
SEB Gyllenberg Fondbolag Ab, Helsinki	20		100	21	23	100
SEB Gyllenberg Private Bank Ab, Helsinki	71		100	76		100
SEB Hong Kong Trade Services Ltd., Hong Kong			100	0		100
SEB IT Partner Estonia OÜ, Tallinn			50	0		65
SEB Leasing Oy, Helsinki	4,393		100	4,723		100
SEB Leasing, CJSC, St Petersburg	131		100	71		100
SEB NET S.L., Barcelona			100	0		100
SEB Pank, AS, Tallinn	2,041		100	2,407		100
SEB Privatbanken ASA, Oslo	1,441	83	100	1,296		100
SIGGE S.A., Warsaw (former SEB TFI S.A.)	33	1	100	39	24	100
Skandinaviska Enskilda Banken A/S, Copenhagen	2,158		100	2,351	317	100
Skandinaviska Enskilda Banken Corporation, New York	127		100	138		100
Skandinaviska Enskilda Banken S.A., Luxembourg	1,466	426	100	1,599	19	100
Skandinaviska Enskilda Ltd., London	490		100	477	28	100
TOTAL	**43,524**	**620**		**44,262**	**808**	

1) Liquidated.

Information about the corporate registration numbers and numbers of shares of the subsidiaries is available upon request.

27 Tangible and intangible assets

	Group		Parent company	
	2009	2008	2009	2008
Goodwill	10,829	13,692	209	523
Deferred acquisition costs	3,501	3,351		
Other Intangible assets	2,847	2,352	1,144	812
Intangible assets	**17,177**	**19,395**	**1,353**	**1,335**
Office, IT and other tangible assets	1,229	1,383	229	254
Equipment leased to clients[1)]			39,770	39,821
Properties for own operations	971	1,137	2	2
Properties taken over for protection of claims	217	106		
Property and equipment	**2,417**	**2,626**	**40,001**	**40,077**
Investment properties recognised at cost	398	218		
Investment properties recognised at fair value through profit and loss	7,778	7,272		
Investment properties	**8,176**	**7,490**		
TOTAL	**27,770**	**29,511**	**41,354**	**41,412**

1) Equipment leased to clients are recognised as financial leases and presented as loans in the Group.

Goodwill

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Opening balance	13,692	12,419	523	523
Acquisitions during the year	25	971		
Current year's impairments	–2,969		–314	
Sales during the year		–179		
Exchange rate differences	81	481		
TOTAL	**10,829**	**13,692**	**209**	**523**

Deferred acquisition costs

	2009	2008
Opening balance	3,351	3,027
Capitalisation of acquisition costs	776	807
Amortisation of acquisition costs	–611	–519
Exchange rate differences	–15	36
TOTAL	**3,501**	**3,351**

Goodwill and intangible assets with indefinite lives
Impairment tests for goodwill components have been based upon the value in use of respective cash generating units, with forecasted cash flows for a period of five years. The cash flows are determined based on historical performance and future forecasts as well as key growth assumptions. The growth rates used after five years are based upon an expected long-term inflation rate, 3.0 per cent. The discount rates used are based upon estimates of cost of equity, assuming 10.5 per cent post tax cost of equity for the Group. The assumptions are for impairment testing purposes only.

The definitions of the cash generating units have been revised and updated in 2009. The cash generating units are business divisions Merchant Banking, Wealth Management, Retail Banking (excluding Cards), Life (excluding Life – Denmark), the business area Retail Banking – Cards and the business unit Life – Denmark.

Cash generating units with significant carrying amounts of goodwill and intangible assets with indefinite lives are Wealth Management with SEK 4,900m (4,867m), Retail Banking – Cards with SEK 1,266m (SEK 1,187) and Life excluding Denmark with SEK 2,343m (2,343m). Goodwill in connection with the Trygg Hansa acquisition, SEK 5,721m (5,721), generates cash flows in Wealth Management, Retail Banking and Life divisions. The goodwill has been allocated to these units for impairment testing. A sensitivity analysis where the discount rate and growth rate, respectively, were changed with one percentage point did not result in calculated recoverable amounts below the carrying amounts.

During 2009 the Group made impairments of goodwill in Baltics, Ukraine and Russia. Goodwill amounting to SEK 2,317m created by SEB's investments in the Baltic countries has been impaired and the impairment cost charged to Baltic division. The impairment reflected the rapid macro economic deterioration in the Baltic region which is expected to cause subdued income generation and high loan loss provisions during the forecast period. Goodwill amounting to SEK 594m relating to SEB's Ukraine operations and SEK 77m related to SEB's Russian operations has also been impaired and the impairment cost charged to total operating expenses. The impairment reflected a stop of former expansion plans in Ukraine and rapid macro economic deterioration. The impairment tests of goodwill in Baltics, Ukraine and Russia were based on values in use, with a forecast period of five years and a principal post tax discount rate assumption of 13 per cent reflecting higher risk in these markets compared to the average for the Group overall.

Acquisitions 2008
During 2008 two minor acquisitions were made, Key Asset Management, Great Britain and Commercial Finance, Poland. The total purchase price was SEK 990m, goodwill amounts to SEK 798 and intangible assets SEK 161m.

Note 27 ctd. Tangible and intangible assets

	Group		Parent company	
Other intangible assets[1]	2009	2008	2009	2008
Opening balance	5,070	3,546	1,066	503
Acquisitions during the year	1,054	1,227	543	563
Group adjustment	3			
Reclassifications	6			
Sales during the year	–37	–131		
Exchange rate differences	–213	428		
Acquisition value	**5,883**	**5,070**	**1,609**	**1,066**
Opening balance	–2,718	–2,098	–254	–134
Current year's depreciations	–394	–351	–129	–106
Current year's impairments	–77	–10	–77	–11
Reclassifications	–3			
Accumulated depreciations on current year's sales	34	28		
Exchange rate differences	122	–287	–5	–3
Accumulated depreciations	**–3,036**	**–2,718**	**–465**	**–254**
TOTAL	**2,847**	**2,352**	**1,144**	**812**

1) The qualifying majority consists of capitalised projects.

Office, IT and other tangible assets				
Opening balance	8,295	7,367	2,718	2,643
Acquisitions during the year	241	508	74	75
Group acquisitions/Merger		8		
Reclassifications	4	2		
Sales during the year	–289	–159		
Exchange rate differences	–273	569		
Acquisition value	**7,978**	**8,295**	**2,792**	**2,718**
Opening balance	–6,912	–5,969	–2,464	–2,365
Current year's depreciations	–554	–576	–99	–99
Current year's impairments	–6	–1		
Group acquisitions/Merger		–5		
Reclassifications	–6			
Accumulated depreciations on current year's sales	255	133		
Exchange rate differences	474	–494		
Accumulated depreciations	**–6,749**	**–6,912**	**–2,563**	**–2,464**
TOTAL	**1,229**	**1,383**	**229**	**254**

Equipment leased to clients[1]				
Opening balance			50,477	46,101
Acquisitions during the year			8,456	12,189
Sales during the year			–7,872	–7,813
Acquisition value			**51,061**	**50,477**
Opening balance			–10,656	–11,776
Current year's depreciations			–4,506	–4,604
Accumulated depreciations on current year's sales			3,871	5,724
Accumulated depreciations			**–11,291**	**–10,656**
TOTAL			**39,770**	**39,821**

1) Equipment leased to clients is depreciated in annuities, based on a conservatively estimated residual value at the end of the contract period. For leased equipment that cannot be sold in a functioning market, the scheduled residual value is zero at the end of the contract period. Any surplus resulting from the sale of leased equipment is reported under Other income.

Note 27 ctd. Tangible and intangible assets

	Group		Parent company	
Properties for own operations	**2009**	**2008**	**2009**	**2008**
Opening balance	1,732	1,653	3	3
Acquisitions during the year	14	57		
Appreciations during the year		42		
Group adjustment	–6			
Reclassifications	–15	75		
Sales during the year	–45	–141		
Exchange rate differences	–123	46		
Acquisition value	**1,557**	**1,732**	**3**	**3**
Opening balance	–595	–510	–1	–1
Current year's depreciations	–55	–48		
Current year's impairments	–2			
Reclassifications	–5	–16		
Accumulated depreciations on current year's sales	36	35		
Exchange rate differences	35	–56		
Accumulated depreciations	**–586**	**–595**	**–1**	**–1**
TOTAL	**971**	**1,137**	**2**	**2**
Tax value, real properties	2	2	2	2
of which, buildings	1	1	1	1

Tax value refers only to properties in Sweden.

Properties taken over for protection of claims		
Opening balance	106	23
Acquisitions during the year	1,012	82
Reclassifications	–56	
Sales during the year	–834	–12
Exchange rate differences	–11	13
TOTAL	**217**	**106**

Net operating earnings from properties taken over for protection of claims		
External income	2	3
Operating costs	–16	
TOTAL	**–14**	**3**

Investment properties recognised at cost		
Opening balance	468	401
Acquisitions during the year	377	4
Sales during the year	–167	
Exchange rate differences	–18	63
Acquisition value	**660**	**468**
Opening balance	–250	–200
Current year's depreciations	–27	–17
Exchange rate differences	15	–33
Accumulated depreciations	**–262**	**–250**
TOTAL	**398**	**218**

Investment properties recognised at fair value through profit and loss		
Opening balance	7,272	5,038
Acquisitions during the year	977	1,266
Current year's impairments		–2
Sales during the year	–1	
Exchange rate differences	–470	970
TOTAL	**7,778**	**7,272**

Net operating earnings from investment properties		
External income	422	344
Operating costs[1]	–125	–114
TOTAL	**297**	**230**

1) Direct operating expenses arising from investment property that did not generate rental income amounts to SEK 14m (10).

28 Other assets

	Group		Parent company	
	2009	2008	2009	2008
Current tax assets	3,898	3,998	1,228	1,072
Deferred tax assets	1,624	2,836		1,338
Trade and client receivables	14,637	13,402	12,425	12,317
Withheld margins of safety	17,120	30,361	17,120	30,361
Other assets	14,780	20,055	8,249	15,484
OTHER ASSETS	**52,059**	**70,652**	**39,022**	**60,572**

Current tax assets

Other	3,898	3,998	1,228	1,072
Recognised in profit and loss	**3,898**	**3,998**	**1,228**	**1,072**
TOTAL	**3,898**	**3,998**	**1,228**	**1,072**

Deferred tax assets

Tax losses carry forwards	1,327	2,084		1,338
Other temporary differences[1]	548	797		
Recognised in profit and loss	**1,875**	**2,881**		**1,338**
Unrealised losses in available-for-sale financial assets	–251	–45		
Recognised in Shareholders' equity	**–251**	**–45**		
TOTAL	**1,624**	**2,836**		**1,338**

1) Temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Taxable temporary differences give rise to deferred tax assets and liabilities.

Tax losses carried forward in the SEB Group for which the tax asset are not recognized in the balance sheet amounts gross to SEK 4,809m (5,422). These are not recognized due to the uncertainty of possibility to use them. This includes losses where the amount only can be used for trade tax. The potential tax asset not recognized is SEK 990m (1,120).

All losses carried forward are without time limit except for SEK 1,978m (0) corresponding to a deferred tax asset of SEK 297m (0) which is due 2017.

Trade and client receivables

Trade receivables	725	498		
Client receivables	13,912	12,904	12,425	12,317
TOTAL	**14,637**	**13,402**	**12,425**	**12,317**

Other assets

Pension plan assets, net	3,961	4,703		
Reinsurers share of insurance provisions	553	535		
Accrued interest income	28	48		
Other accrued income	1,127	1,025	1,700	1,659
Prepaid expenses	453	604		
Other	8,658	13,140	6,549	13,825
TOTAL	**14,780**	**20,055**	**8,249**	**15,484**

29 Deposits from credit institutions

	Group		Parent company	
	2009	2008	2009	2008
Remaining maturity				
– payable on demand	33,970	143,224	22,947	161,754
– maximum 3 months	201,611	216,714	230,950	184,423
– more than 3 months but maximum 1 year	136,600	46,534	123,464	45,220
– more than 1 year but maximum 5 years	6,875	6,688	3,853	12,918
– more than 5 years	17,165	14,402	4,326	3,983
Accrued interest	1,212	1,863	990	1,807
TOTAL	**397,433**	**429,425**	**386,530**	**410,105**
of which repos	30,448	23,575	28,116	23,573
Average remaining maturity (years)	0.76	0.52	0.42	0.32

30 Deposits and borrowing from the public

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Deposits	665,474	730,295	418,924	406,100
Borrowing	132,678	107,086	71,152	46,513
Accrued interest	2,936	3,653	774	1,084
TOTAL	**801,088**	**841,034**	**490,850**	**453,697**

Deposits[1)]

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Remaining maturity				
– payable on demand	368,399	440,527	255,894	326,586
– maximum 3 months	190,688	169,887	132,454	59,473
– more than 3 months but maximum 1 year	29,291	53,700	11,806	9,154
– more than 1 year but maximum 5 years	25,282	21,234	4,402	3,167
– more than 5 years	51,814	44,947	14,368	7,720
TOTAL	**665,474**	**730,295**	**418,924**	**406,100**

1) Only account balances covered by the Deposit Guarantee are reported as deposits. The amount refers to the total account balance without considering the limitation in terms of amount that is applicable to the Deposit Guarantee and fee bases.

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Average remaining maturity (years)	0.96	0.78		

Borrowing

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Remaining maturity				
– payable on demand	4,964	21,919	693	7,215
– maximum 3 months	99,462	57,815	61,567	26,476
– more than 3 months but maximum 1 year	10,790	9,921	1,163	1,753
– more than 1 year but maximum 5 years	4,646	4,511	1,363	519
– more than 5 years	12,816	12,920	6,366	10,550
TOTAL	**132,678**	**107,086**	**71,152**	**46,513**
of which repos	30,154	36,304	15,437	15,437
Average remaining maturity (years)	1.22	1.46	1.07	2.40

31 Liabilities to policyholders

	Group 2009	Group 2008
Liabilities to policyholders – investment contracts	155,860	115,110
Liabilities to policyholders – insurance contracts	93,149	95,960
TOTAL	**249,009**	**211,070**

Liabilities to policyholders – investment contracts*

	2009	2008
Opening balance	115,110	135,937
Reclassification to/from insurance contracts	–187	–57
Change in investment contract provisions[1)]	41,693	–21,924
Exchange rate differences	–756	1,154
TOTAL	**155,860**	**115,110**

1) The net of premiums received during the year, return on investment funds less payments to the policyholders and deduction of fees and policyholders tax.

* Insurance provisions where the policyholders are carrying the risk.

Liabilities to policyholders – insurance contracts

	2009	2008
Opening balance	95,960	89,979
Transfer of portfolios through acquisitions/divestments		
Reclassification from/to investment contracts	187	57
Change in collective bonus provisions	87	–7,339
Change in other insurance contract provisions[1)]	2,171	1,716
Exchange rate differences	–5,256	11,547
TOTAL	**93,149**	**95,960**

1) The net of premiums received during the year, allocated guaranteed interest less payments to the policyholders and deduction of fees and policyholders tax.

32 Debt securities

	Group		Parent company	
	2009	2008	2009	2008
Issued bonds	355,928	367,357	270,323	239,245
Other issued securities	93,381	149,418	93,325	149,355
Accrued interest	6,734	8,444	5,136	5,646
TOTAL	**456,043**	**525,219**	**368,784**	**394,246**

The Group issues equity index linked bonds, which contains both a liability and an equity component. The Group has chosen to designate issued equity index linked bonds, with fair values amounting to SEK 25,079m (28,527), as at fair value through profit or loss, since they contain embedded derivatives. The corresponding amounts for the Parent company are SEK 17,776m (20,629). This choice implies that the entire hybrid contract is measured at fair value in profit or loss. Fair value for those financial instruments is calculated using a valuation technique, exclusively based on quoted market prices. The Group's contractual liability is SEK 24,577m (29,261) and for the Parent company SEK 17,378m (21,092).

Issued bonds

Remaining maturity				
– maximum 1 year	92,909	82,637	52,579	46,811
– more than 1 years but maximum 5 years	249,042	276,046	207,221	187,294
– more than 5 years but maximum 10 years	3,839	4,253	1,757	2,492
– more than 10 years	10,138	4,421	8,766	2,648
TOTAL	**355,928**	**367,357**	**270,323**	**239,245**
Average remaining maturity (years)	2.80	2.67	2.93	2.69

Other issued securities

Remaining maturity				
– payable on demand	56	4,749		4,442
– maximum 3 months	69,839	117,397	69,839	117,397
– more than 3 months but maximum 1 year	23,486	27,271	23,486	27,516
– more than 1 year but maximum 5 years		1		
TOTAL	**93,381**	**149,418**	**93,325**	**149,355**
Average remaining maturity (years)	0.25	0.21	0.25	0.21

33 Financial liabilities at fair value

	Group		Parent company	
	2009	2008	2009	2008
Trading derivatives	119,293	231,341	114,130	225,829
Derivatives used for hedging	9,119	8,168	3,995	4,254
Trading liabilities	61,529	54,411	58,479	49,429
Fair value changes of hedged items in portfolio hedge	1,499	1,613		
TOTAL	**191,440**	**295,533**	**176,604**	**279,512**

Financial liabilities designated at fair value through profit or loss is specified in note 31 and 32.

Trading derivatives

Negative replacement values of interest-related derivatives	78,055	115,462	74,537	117,514
Negative replacement values of currency-related derivatives	39,828	112,195	38,467	105,470
Negative replacement values of equity-related derivatives	1,137	2,858	952	2,088
Negative replacement values of other derivatives	273	826	174	757
TOTAL	**119,293**	**231,341**	**114,130**	**225,829**

Derivatives used for hedging

Fair value hedges	585	733	823	805
Cash flow hedges	3,172	3,447	3,172	3,449
Portfolio hedges for interest rate risk	5,362	3,988		
TOTAL	**9,119**	**8,168**	**3,995**	**4,254**

Trading liabilities

Short positions in equity instruments	14,527	15,387	14,327	15,387
Short positions in debt instruments	46,419	38,571	43,647	33,589
Accrued interest	583	453	505	453
TOTAL	**61,529**	**54,411**	**58,479**	**49,429**

34 Other liabilities

	Group		Parent company	
	2009	2008	2009	2008
Current tax liabilities	1,547	1,148	724	94
Deferred tax liabilities	10,299	9,810	275	
Trade and client payables	16,401	9,498	14,146	8,001
Withheld margins of safety	21,399	25,047	21,399	25,047
Other liabilities	25,503	26,062	12,342	22,515
TOTAL	**75,149**	**71,565**	**48,886**	**55,657**

Current tax liabilities

Other	1,547	1,148	488	145
Recognised in profit and loss	**1,547**	**1,148**	**488**	**145**
Group contributions			236	194
Other				–245
Recognised in Shareholders' equity			**236**	**–51**
TOTAL	**1,547**	**1,148**	**724**	**94**

Deferred tax liabilities

Accelerated tax depreciation	7,896	7,715		
Unrealised profits in financial assets at fair value	188	130		
Pension plan assets, net	1,258	1,150		
Other temporary differences	566	674		
Recognised in profit and loss	**9,908**	**9,669**		
Unrealised profits in cash flow hedges	275	45	275	
Unrealised profits in available-for-sale financial assets	116	96		
Recognised in Shareholders' equity	**391**	**141**	**275**	
TOTAL	**10,299**	**9,810**	**275**	

Temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Taxable temporary differences give rise to deferred tax assets and liabilities.

In Estonia no income tax is paid unless profit is distributed as dividend. No deferred tax liability is recognised related to possible future tax costs on dividends from Estonia. Tax rate applicable to dividends are 21 per cent (21).

Trade and client payables

Trade payables	331	464		
Client payables	16,070	9,034	14,146	8,001
TOTAL	**16,401**	**9,498**	**14,146**	**8,001**

Other liabilities

Accrued interest expense	100	51		
Other accrued expense	3,607	4,535	2,035	2,330
Prepaid income	1,832	1,722		
Other	19,964	19,754	10,307	20,185
TOTAL	**25,503**	**26,062**	**12,342**	**22,515**

35 Provisions

	Group		Parent company	
	2009	2008	2009	2008
Restructuring reserve	604	793	317	600
Reserve for off-balance-sheet items	478	251	46	
Pensions and other post retirement benefit obligations (note 9b)	140	28		
Other provisions	811	825	133	189
TOTAL	**2,033**	**1,897**	**496**	**789**

Restructuring reserve

Opening balance	793	132	600	4
Additions	87	640		600
Amounts used	–283	–3	–283	–4
Exchange differences	7	24		
TOTAL	**604**	**793**	**317**	**600**

The restructuring reserve mainly regards redundancy in Sweden for a net decrease of 500 employees and is expected to be used within one to two years.

Note 35 ctd. Provisions

Reserve for off-balance-sheet items	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Opening balance	251	209		3
Additions	253	67	46	
Amounts used	–29	–63		–3
Exchange differences	3	38		
TOTAL	**478**	**251**	**46**	**0**

The reserve for off-balance sheet items is mainly referring to the German market and its corporate sector. A minor part is expected to be used during 2010 while the remaining part has a substantially longer life.

Other provisions	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Opening balance	825	1,098	189	264
Additions	58	23		
Amounts used	–83	–358	–56	–75
Exchange differences	11	62		
TOTAL	**811**	**825**	**133**	**189**

The other provisions consists of three main parts, unutilised premises in connection with the integration of SEB's different business units in the Nordic countries, Germany and U.K. expected to be used in 5 years, unsettled claims in the U.K. market to be settled within 7 years and provisions linked to property funds and guarantees given in Germany for less than 5 years.

36 Subordinated liabilities

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Debenture loans	11,080	21,640	10,260	20,666
Debenture loans, perpetual	23,609	26,792	23,609	26,792
Debenture loans, hedged positions	1,477	2,388	1,477	2,388
Accrued interest	197	410	152	353
TOTAL	**36,363**	**51,230**	**35,498**	**50,199**

Debenture loans

	Currency	Original nom. amount	Book value	Rate of interest, %
2003/2015	EUR	500	5,133	4.125
2006/2017	EUR	500	5,127	1)
Total parent company			**10,260**	
Debenture loans issued by SEB AG			724	
Debenture loans issued by other subsidiaries			96	
TOTAL GROUP			**11,080**	

Debenture loans, perpetual

	Currency	Original nom. amount	Book value	Rate of interest, %
1995	JPY	10,000	776	4.400
1997	JPY	15,000	1,164	5.000
2000	USD	100	14	1)
2004	USD	500	2,924	4.958
2005	USD	600	3,039	1)
2005	GBP	500	3,145	5.000
2006	GBP	375	2,287	5.500
2007	EUR	500	5,130	7.092
2009	EUR	500	5,130	9.250
TOTAL			**23,609**	

1) FRN, Floating Rate Note.

37 Untaxed reserves[1)]

	Parent company 2009	Parent company 2008
Depreciation in excess of plan on office equipment/leased assets	22,640	21,131
Other untaxed reserves	5	5
TOTAL	**22,645**	**21,136**

1) In the balance sheet of the Group untaxed reserves are reclassified partly as deferred tax liability and partly as restricted equity.

Parent company

	Excess depreciation	Other untaxed reserves	Total
Opening balance	19,012	4	**19,016**
Appropriations	2,117		**2,117**
Exchange rate differencies	2	1	**3**
Closing balance 2008	**21,131**	**5**	**21,136**
Appropriations	1,510		**1,510**
Exchange rate differencies	–1		**–1**
CLOSING BALANCE 2009	**22,640**	**5**	**22,645**

38 Off-balance sheet items

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Collateral and comparable security pledged for own liabilities	420,302	375,227	268,284	242,395
Other pledged assets and comparable collateral	202,168	152,142	47,031	37,737
Contingent liabilities	84,058	86,675	64,045	62,260
Commitments	378,442	416,533	275,203	261,252
Collateral and comparable security pledged for own liabilities*				
Lending[1)]	15	70	15	47
Bonds	263,461	237,851	220,148	202,697
Repos	62,912	39,651	48,121	39,651
Assets in insurance business	93,914	97,655		
TOTAL	**420,302**	**375,227**	**268,284**	**242,395**

1) Of which SEK 15m (47) refers to the parent company's pledging of promissory notes for the benefit of the Swedish Export Credit Corporation.
* Transfers that do not qualify for derecognition.

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Other pledged assets and comparable collateral				
Shares in insurance premium funds	155,137	114,405		
Securities lending	47,031	37,737	47,031	37,737
TOTAL	**202,168**	**152,142**	**47,031**	**37,737**
Contingent liabilities				
Guarantee commitments, credits	13,368	12,309	12,852	8,314
Guarantee commitments, other	58,671	61,334	42,980	46,434
Own acceptances	411	836	411	823
Total	**72,450**	**74,479**	**56,243**	**55,571**
Approved, but unutilised letters of credit	11,608	12,196	7,802	6,689
TOTAL	**84,058**	**86,675**	**64,045**	**62,260**

Other contingent liabilities
The parent company has undertaken to the Monetary Authority of Singapore to ensure that its subsidiary in Luxembourg's branch in Singapore is able to fulfil its commitments.

The parent company has issued a deposit guarantee for SEB AG in Germany to the Bundesverband deutscher Banken e.V.

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Commitments				
Granted undrawn credit	184,575	191,899	150,991	146,405
Unutilised part of approved overdraft facilities	138,845	161,641	73,610	74,760
Securities borrowing	53,515	62,008	50,602	40,087
Other commmitments	1,507	985		
TOTAL	**378,442**	**416,533**	**275,203**	**261,252**

39 Current and non-current assets and liabilities

Group

Assets	2009 Current assets	2009 Non-current assets	2009 Total	2008 Current assets	2008 Non-current assets	2008 Total
Cash and cash balances with central banks	36,589		**36,589**	44,852		**44,852**
Loans to credit institutions	239,455	92,005	**331,460**	201,427	64,936	**266,363**
Loans to the public	418,840	768,997	**1,187,837**	473,560	823,217	**1,296,777**
Securities held for trading	*116,254*	*71,670*	***187,924***	*76,579*	*85,017*	***161,596***
Derivatives held for trading	*133,230*		***133,230***	*248,426*		***248,426***
Derivatives used for hedging	*10,206*		***10,206***	*11,155*		***11,155***
Fair value changes of hedged items in a portfolio hedge	*4,026*		***4,026***	*3,503*		***3,503***
Financial assets – policyholders bearing the risk	*155,486*		***155,486***	*114,425*		***114,425***
Other financial assets designated at fair value	*17,393*	*73,376*	***90,769***	*24,071*	*72,278*	***96,349***
Financial assets at fair value	436,595	145,046	**581,641**	478,159	157,295	**635,454**
Available-for-sale financial assets	43,275	44,673	**87,948**	32,448	130,667	**163,115**
Held-to-maturity investments	12	1,320	**1,332**	1,507	490	**1,997**
Assets held for sale	596		**596**	852		**852**
Investments in associates		995	**995**		1,129	**1,129**
Intangible assets	*1,004*	*16,173*	***17,177***	*870*	*18,525*	***19,395***
Property and equipment	*637*	*1,780*	***2,417***	*641*	*1,985*	***2,626***
Investment properties		*8,176*	***8,176***		*7,490*	***7,490***
Tangible and intangible assets	1,641	26,129	**27,770**	1,511	28,000	**29,511**
Current tax assets	*3,898*		***3,898***	*3,998*		***3,998***
Deferred tax assets		*1,624*	***1,624***		*2,836*	***2,836***
Trade and client receivables	*14,637*		***14,637***	*13,402*		***13,402***
Withheld margins of safety	*17,120*		***17,120***	*30,361*		***30,361***
Other assets	*14,780*		***14,780***	*20,055*		***20,055***
Other assets	50,435	1,624	**52,059**	67,816	2,836	**70,652**
TOTAL	**1,227,438**	**1,080,789**	**2,308,227**	**1,302,132**	**1,208,570**	**2,510,702**

Liabilities	2009 Current liabilities	2009 Non-current liabilities	2009 Total	2008 Current liabilities	2008 Non-current liabilities	2008 Total
Deposits by credit institutions	373,393	24,040	**397,433**	408,335	21,090	**429,425**
Deposits and borrowing from the public	706,530	94,558	**801,088**	757,422	83,612	**841,034**
Liabilities to policyholders – investment contracts	*9,664*	*146,196*	***155,860***	*7,137*	*107,973*	***115,110***
Liabilities to policyholders – insurance contracts	*11,484*	*81,665*	***93,149***	*11,831*	*84,129*	***95,960***
Liabilities to policyholders	21,148	227,861	**249,009**	18,968	192,102	**211,070**
Debt securities	193,024	263,019	**456,043**	240,498	284,721	**525,219**
Trading derivatives	*119,293*		***119,293***	*231,341*		***231,341***
Derivatives used for hedging	*9,119*		***9,119***	*8,168*		***8,168***
Trading liabilities	*61,529*		***61,529***	*54,411*		***54,411***
Fair value changes of hedged items in portfolio hedge	*1,499*		***1,499***	*1,613*		***1,613***
Financial liabilities at fair value	191,440		**191,440**	295,533		**295,533**
Current tax liabilities	*1,547*		***1,547***	*1,148*		***1,148***
Deferred tax liabilities		*10,299*	***10,299***		*9,810*	***9,810***
Trade and client payables	*16,401*		***16,401***	*9,498*		***9,498***
Withheld margins of safety	*21,399*		***21,399***	*25,047*		***25,047***
Other liabilities	*25,503*		***25,503***	*26,062*		***26,062***
Other liabilities	75,149		**75,149**	61,755	9,810	**71,565**
Provisions		2,033	**2,033**		1,897	**1,897**
Subordinated liabilities		36,363	**36,363**	1,531	49,699	**51,230**
TOTAL	**1,550,385**	**658,173**	**2,208,558**	**1,784,042**	**642,931**	**2,426,973**

40 Financial assets and liabilities by class

Group 2009

	Classes of financial assets and liabilities							
Financial assets	Loans and deposits	Equity instruments	Debt instruments	Derivative instruments	Investment contracts	Insurance contracts	Other	Total
Cash and cash balances with central banks (note 19)							36,589	**36,589**
Loans to credit institutions (note 20)	261,024		70,436					**331,460**
Loans to the public (note 21)	1,132,934		54,903					**1,187,837**
Financial assets at fair value (note 22)[1]		40,581	148,972	143,436	155,486		4,026	**492,501**
Available-for-sale financial assets (note 23)		2,410	85,538					**87,948**
Held-to-maturity financial assets (note 24)			1,332					**1,332**
Investments in associates (note 25)		995						**995**
Trade and client receivables (note 28)							14,637	**14,637**
Financial assets	**1,393,958**	**43,986**	**361,181**	**143,436**	**155,486**		**55,252**	**2,153,299**
Other assets (non-financial)						89,140	65,788	**154,928**
TOTAL	**1,393,958**	**43,986**	**361,181**	**143,436**	**155,486**	**89,140**	**121,040**	**2,308,227**
Financial liabilities								
Deposits from credit institutions (note 29)	397,433							**397,433**
Deposits and borrowing from the public (note 30)	801,088							**801,088**
Liabilities to policyholders (note 31)[1]					155,860			**155,860**
Debt securities (note 32)			456,043					**456,043**
Financial liabilities at fair value (note 33)		14,527	47,002	128,412			1,499	**191,440**
Trade and client payables (note 34)							16,401	**16,401**
Subordinated liabilities (note 36)			36,363					**36,363**
Financial liabilities	**1,198,521**	**14,527**	**539,408**	**128,412**	**155,860**		**17,900**	**2,054,628**
Other liabilities (non-financial)						93,149	60,781	**153,930**
Total equity							99,669	**99,669**
TOTAL	**1,198,521**	**14,527**	**539,408**	**128,412**	**155,860**	**93,149**	**178,350**	**2,308,227**

Group 2008

Financial assets	Loans and deposits	Equity instruments	Debt instruments	Derivative instruments	Investment contracts	Insurance contracts	Other	Total
Cash and cash balances with central banks (note 19)							44,852	**44,852**
Loans to credit institutions (note 20)	223,677		42,686					**266,363**
Loans to the public (note 21)	1,231,271		65,506					**1,296,777**
Financial assets at fair value (note 22)[1]		35,011	128,116	259,581	114,425		3,503	**540,636**
Available-for-sale financial assets (note 23)		2,111	161,004					**163,115**
Held-to-maturity financial assets (note 24)			1,997					**1,997**
Investments in associates (note 25)		1,129						**1,129**
Trade and client receivables (note 28)							13,402	**13,402**
Financial assets	**1,454,948**	**38,251**	**399,309**	**259,581**	**114,425**		**61,757**	**2,328,271**
Other assets (non-financial)						94,818	87,613	**182,431**
TOTAL	**1,454,948**	**38,251**	**399,309**	**259,581**	**114,425**	**94,818**	**149,370**	**2,510,702**
Financial liabilities								
Deposits from credit institutions (note 29)	429,425							**429,425**
Deposits and borrowing from the public (note 30)	841,034							**841,034**
Liabilities to policyholders (note 31)[1]					115,110			**115,110**
Debt securities (note 32)			525,219					**525,219**
Financial liabilities at fair value (note 33)		15,387	39,024	239,509			1,613	**295,533**
Trade and client payables (note 34)							9,498	**9,498**
Subordinated liabilities (note 36)			51,230					**51,230**
Financial liabilities	**1,270,459**	**15,387**	**615,473**	**239,509**	**115,110**		**11,111**	**2,267,049**
Other liabilities (non-financial)						95,960	63,964	**159,924**
Total equity							83,729	**83,729**
TOTAL	**1,270,459**	**15,387**	**615,473**	**239,509**	**115,110**	**95,960**	**158,804**	**2,510,702**

1) Insurance contracts are not classified as financial assets and liabilities.

SEB has grouped its financial instruments by class taking into account the characteristics of the instruments:

Loans and deposits includes financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. These are further specified in note 43 and 44.

Equity intruments includes shares, rights issues and similar contractual rights of other entities.

Debt instruments includes contractual rights to receive or obligations to deliver cash on a predetermined date. These are further specified in note 41, 42 and 43.

Derivative instruments includes options, futures, swaps and other derived products held for trading and hedging purposes. These are further specified in note 45.

Investment contracts includes those assets and liabilities in the Life insurance operations where the policyholder is carrying the risk of the contractual agreement (is not qualified as an insurance contract under IFRS 4). The Life insurance operations are further specified in note 51.

Insurance contracts includes those assets and liabilities in the Life insurance operations where SEB is carrying the insurance risk of a contractual agreement (is qualified as an insurance contract under IFRS 4). The Life insurance operations are further specified in note 51.

Other includes other financial asset and liabilities recognised in accordance with IAS 39.

Note 40 ctd. Financial assets and liabilities by class

Parent company 2009

	Classes of financial assets and liabilities					
Financial assets	Loans and deposits	Equity-instrumens	Debt instruments	Derivative instruments	Other	Total
Cash and cash balances with central banks (note 19)					21,815	**21,815**
Loans to credit institutions (note 20)	346,933		29,290			**376,223**
Loans to the public (note 21)	686,040		46,435			**732,475**
Financial assets at fair value (note 22)		32,683	136,128	135,864		**304,675**
Available-for-sale financial assets (note 23)		1,363	14,968			**16,331**
Held-to-maturity financial assets (note 24)			3,789			**3,789**
Investments in associates (note 25)		907				**907**
Shares in subsidiaries (note 26)		59,325				**59,325**
Trade and client receivables (note 28)					12,425	**12,425**
Financial assets	**1,032,973**	**94,278**	**230,610**	**135,864**	**34,240**	**1,527,965**
Other assets (non-financial)					67,951	**67,951**
TOTAL	**1,032,973**	**94,278**	**230,610**	**135,864**	**102,191**	**1,595,916**
Financial liabilities						
Deposits from credit institutions (note 29)	386,530					**386,530**
Deposits and borrowing from the public (note 30)	490,850					**490,850**
Debt securities (note 32)			368,784			**368,784**
Financial liabilities at fair value (note 33)		14,327	44,152	118,125		**176,604**
Trade and client payables (note 34)					14,146	**14,146**
Subordinated liabilities (note 36)			35,498			**35,498**
Financial liabilities	**877,380**	**14,327**	**448,434**	**118,125**	**14,146**	**1,472,412**
Other liabilities (non-financial)					35,236	**35,236**
Total equity and untaxed reserves					88,268	**88,268**
TOTAL	**877,380**	**14,327**	**448,434**	**118,125**	**137,650**	**1,595,916**

Parent company 2008

Financial assets						
Cash and cash balances with central banks (note 19)					10,670	**10,670**
Loans to credit institutions (note 20)	306,387		42,686			**349,073**
Loans to the public (note 21)	708,777		59,960			**768,737**
Financial assets at fair value (note 22)		26,175	105,169	255,458		**386,802**
Available-for-sale financial assets (note 23)		1,528	25,369			**26,897**
Held-to-maturity financial assets (note 24)			3,263			**3,263**
Investments in associates (note 25)		1,011				**1,011**
Shares in subsidiaries (note 26)		60,063				**60,063**
Trade and client receivables (note 28)					12,317	**12,317**
Financial assets	**1,015,164**	**88,777**	**236,447**	**255,458**	**22,987**	**1,618,833**
Other assets					89,667	**89,667**
TOTAL	**1,015,164**	**88,777**	**236,447**	**255,458**	**112,654**	**1,708,500**
Financial liabilities						
Deposits from credit institutions (note 29)	410,105					**410,105**
Deposits and borrowing from the public (note 30)	453,697					**453,697**
Debt securities (note 32)			394,246			**394,246**
Financial liabilities at fair value (note 33)		15,387	34,042	230,083		**279,512**
Trade and client payables (note 34)					8,001	**8,001**
Subordinated liabilities (note 36)			50,199			**50,199**
Financial liabilities	**863,802**	**15,387**	**478,487**	**230,083**	**8,001**	**1,595,760**
Other liabilities (non-financial)					48,445	**48,445**
Total equity and untaxed reserves					64,295	**64,295**
TOTAL	**863,802**	**15,387**	**478,487**	**230,083**	**120,741**	**1,708,500**

41 Debt instruments by maturities

Eligible debt instruments*

Group 2009	< 1 month	1 < 3 months	3 months < 1 year	1 < 5 years	5 < 10 years	> 10 years	Total
Loans to credit institutions (note 20)		127	383	11,475	28,790	185	**40,960**
Loans to the public (note 21)				7,706	613		**8,319**
Securities held for trading (note 22)	267	57,392	4,308	10,829	6,764	7,164	**86,724**
Other financial assets at fair value (note 22)				16			**16**
Available-for-sale financial assets (note 23)	3,376	16,054	9,706	24,967	7,114	2,234	**63,451**
TOTAL	**3,643**	**73,573**	**14,397**	**54,993**	**43,281**	**9,583**	**199,470**
Group 2008							
Loans to the public (note 21)				4,761	649		**5,410**
Securities held for trading (note 22)	63	5,224	4,577	17,806	9,014	6,148	**42,832**
Other financial assets at fair value (note 22)			11	13			**24**
Available-for-sale financial assets (note 23)	2,973	2,510	10,668	71,396	31,131	7,539	**126,217**
TOTAL	**3,036**	**7,734**	**15,256**	**93,976**	**40,794**	**13,687**	**174,483**
Parent company 2009							
Securities held for trading (note 22)		57,358	2,674	3,831	4,762	6,772	**75,397**
Available-for-sale financial assets (note 23)						442	**442**
TOTAL		**57,358**	**2,674**	**3,831**	**4,762**	**7,214**	**75,839**
Parent company 2008							
Securities held for trading (note 22)	13	4,721	2,308	2,021	4,601	5,723	**19,387**
Available-for-sale financial assets (note 23)						674	**674**
TOTAL	**13**	**4,721**	**2,308**	**2,021**	**4,601**	**6,397**	**20,061**

Other debt instruments*

Group 2009	< 1 month	1 < 3 months	3 months < 1 year	1 < 5 years	5 < 10 years	> 10 years	Total
Loans to credit institutions (note 20)	508	1,318	5,922	20,822	595	102	**29,267**
Loans to the public (note 21)	333			5,682	6,968	33,385	**46,368**
Securities held for trading (note 22)	–11	2,493	11,377	35,660	6,042	5,211	**60,772**
Insurance assets (note 22)	339	553	727	22,522	12,175	38,339	**74,655**
Other financial assets at fair value (note 22)		24	87	175	99	50	**435**
Available-for-sale financial assets (note 23)	6,149	372	1,310	2,137	5,123	6,098	**21,189**
Held-to-maturity financial assets (note 24)				1,222		98	**1,320**
TOTAL	**7,318**	**4,760**	**19,423**	**88,220**	**31,002**	**83,283**	**234,006**
Group 2008							
Loans to credit institutions (note 20)	139			41,182	945	161	**42,427**
Loans to the public (note 21)				4,701	8,238	46,569	**59,508**
Securities held for trading (note 22)	225	11,358	18,877	45,070	3,584	3,395	**82,509**
Insurance assets (note 22)	863	806	2,682	13,423	16,482	42,085	**76,341**
Other financial assets at fair value (note 22)	14	92	64	133	56	86	**445**
Available-for-sale financial assets (note 23)	6,771	1,122	4,423	4,695	3,111	12,795	**32,917**
Held-to-maturity financial assets (note 24)			1,468	385		105	**1,958**
TOTAL	**8,012**	**13,378**	**27,514**	**109,589**	**32,416**	**105,196**	**296,105**
Parent company 2009							
Loans to credit institutions (note 20)	508	1,318	5,922	20,822	595	102	**29,267**
Loans to the public (note 21)	333			5,681	6,968	33,386	**46,368**
Securities held for trading (note 22)	–21	2,508	11,487	35,577	5,871	4,506	**59,928**
Available-for-sale financial assets (note 23)			817	1,416	5,925	6,099	**14,257**
Held-to-maturity financial assets (note 24)				144	3,437	199	**3,780**
TOTAL	**820**	**3,826**	**18,226**	**63,640**	**22,796**	**44,292**	**153,600**
Parent company 2008							
Loans to credit institutions (note 20)	139			41,182	945	161	**42,427**
Loans to the public (note 21)				4,701	8,238	46,569	**59,508**
Securities held for trading (note 22)	117	11,376	19,152	47,341	3,437	2,445	**83,868**
Available-for-sale financial assets (note 23)		1,044	3,731	2,852	3,902	12,795	**24,324**
Held-to-maturity financial assets (note 24)	91			253	2,789	104	**3,237**
TOTAL	**347**	**12,420**	**22,883**	**96,329**	**19,311**	**62,074**	**213,364**

* Accrued interest excluded.

42 Debt instruments by issuers

Eligible debt instruments*

Group 2009	Swedish Government	Swedish municipalities	Other Swedish issuers – non-financial companies	Foreign Government	Other foreign issuers	Total
Loans to credit institutions (note 20)			206		40,754	**40,960**
Loans to the public (note 21)				4,979	3,340	**8,319**
Securities held for trading (note 22)	68,991	397		6,090	11,246	**86,724**
Other financial assets at fair value (note 22)					16	**16**
Available-for-sale financial assets (note 23)	84	407	308	637	62,015	**63,451**
TOTAL	**69,075**	**804**	**514**	**11,706**	**117,371**	**199,470**
Group 2008						
Loans to the public (note 21)				5,410		**5,410**
Securities held for trading (note 22)	15,010	294	2,628	4,313	20,587	**42,832**
Other financial assets at fair value (note 22)	24					**24**
Available-for-sale financial assets (note 23)	75		1,523	920	123,699	**126,217**
TOTAL	**15,109**	**294**	**4,151**	**10,643**	**144,286**	**174,483**
Parent company 2009						
Securities held for trading (note 22)	68,991	371		6,035		**75,397**
Available-for-sale financial assets (note 23)				442		**442**
TOTAL	**68,991**	**371**		**6,477**		**75,839**
Parent company 2008						
Securities held for trading (note 22)	15,010	294		3,473	610	**19,387**
Available-for-sale financial assets (note 23)					674	**674**
TOTAL	**15,010**	**294**		**3,473**	**1,284**	**20,061**

Other debt instruments*

Group 2009	Swedish Government and municipalities	Swedish mortgage institutions	Other Swedish issuers – non-financial companies	Other Swedish issuers – other financial companies	Foreign Government	Other foreign issuers	Total
Loans to credit institutions (note 20)				586		28,681	**29,267**
Loans to the public (note 21)			371			45,997	**46,368**
Securities held for trading (note 22)		23,986	2,308	2,187		32,291	**60,772**
Insurance assets (note 22)	6,672	795	554	1,446	6,634	58,554	**74,655**
Other financial assets at fair value (note 22)					141	294	**435**
Available-for-sale financial assets (note 23)	29				590	20,570	**21,189**
Held-to-maturity financial assets (note 24)		698				622	**1,320**
TOTAL	**6,701**	**25,479**	**3,233**	**4,219**	**7,365**	**187,009**	**234,006**
Group 2008							
Loans to credit institutions (note 20)				1,516		40,911	**42,427**
Loans to the public (note 21)			469			59,039	**59,508**
Securities held for trading (note 22)	150	31,839	7,094	2,486	1,187	39,753	**82,509**
Insurance assets (note 22)	8,087	463	1,423	1,562	788	64,018	**76,341**
Other financial assets at fair value (note 22)					90	355	**445**
Available-for-sale financial assets (note 23)					2,656	30,261	**32,917**
Held-to-maturity financial assets (note 24)		902				1,056	**1,958**
TOTAL	**8,237**	**33,204**	**8,986**	**5,564**	**4,721**	**235,393**	**296,105**
Parent company 2009							
Loans to credit institutions (note 20)				586		28,681	**29,267**
Loans to the public (note 21)			371			45,997	**46,368**
Securities held for trading (note 22)		23,986	2,102	2,187		31,653	**59,928**
Available-for-sale financial assets (note 23)						14,257	**14,257**
Held-to-maturity financial assets (note 24)						3,780	**3,780**
TOTAL		**23,986**	**2,473**	**2,773**		**124,368**	**153,600**
Parent company 2008							
Loans to credit institutions (note 20)				1,516		40,911	**42,427**
Loans to the public (note 21)			469			59,039	**59,508**
Securities held for trading (note 22)		31,840	6,989	2,486		42,553	**83,868**
Available-for-sale financial assets (note 23)						24,324	**24,324**
Held-to-maturity financial assets (note 24)			100			3,137	**3,237**
TOTAL		**31,840**	**7,558**	**4,002**		**169,964**	**213,364**

* Accrued interest excluded.

43 Repricing periods

Group 2009

Assets	< 1 month	1 < 3 months	3 < 6 months	6 < 12 months	1 < 3 years	3 < 5 years	> 5 years	Non rate	Insurance	Total
Loans to credit institutions	255,363	53,362	1,208	1,125	4,307	7,622	4,295	36	4,142	**331,460**
Loans to the public	437,515	371,948	76,492	39,342	105,250	76,389	71,251	9,650		**1,187,837**
Financial assets	433,616	50,222	23,382	11,327	5,371	–24,286	20,124	–26,332	246,865	**740,289**
Other assets	9,052	441	429	456	14	22		21,977	16,250	**48,641**
TOTAL	**1,135,546**	**475,973**	**101,511**	**52,250**	**114,942**	**59,747**	**95,670**	**5,331**	**267,257**	**2,308,227**

Liabilities and equity

Deposits by credit institutions	252,824	34,554	28,145	54,197	3,202	1,001	15,374	5,862	2,274	**397,433**
Deposits and borrowing from the public	654,099	38,763	18,579	11,914	13,605	9,155	52,625	2,348		**801,088**
Issued securities	199,726	99,622	14,797	33,004	63,788	55,723	25,689	57		**492,406**
Other liabilities	218,906	5,491	1,872	49	120	173	1,258	34,479	255,283	**517,631**
Total equity								99,669		**99,669**
TOTAL	**1,325,555**	**178,430**	**63,393**	**99,164**	**80,715**	**66,052**	**94,946**	**142,415**	**257,557**	**2,308,227**

Interest rate sensitive, net	–190,009	297,543	38,118	–46,914	34,227	–6,305	724	–137,084	9,700	
Cumulative sensitive	–190,009	107,534	145,652	98,738	132,965	126,660	127,384	–9,700		

Group 2008

Assets										
Loans to credit institutions	175,533	16,628	5,409	2,296	32,261	22,856	9,704	–96	1,772	**266,363**
Loans to the public	611,287	149,510	74,071	81,761	134,674	107,965	129,460	8,049		**1,296,777**
Financial assets	219,112	97,634	44,161	23,365	100,175	9,395	59,583	97,610	208,914	**859,949**
Other assets	924	95	87	183	3			68,577	17,744	**87,613**
TOTAL	**1,006,856**	**263,867**	**123,728**	**107,605**	**267,113**	**140,216**	**198,747**	**174,140**	**228,430**	**2,510,702**

Liabilities and equity

Deposits by credit institutions	292,851	69,424	21,989	24,619	1,093	5,384	14,065			**429,425**
Deposits and borrowing from the public	644,226	47,848	48,759	17,672	5,455	17,848	56,111	3,115		**841,034**
Issued securities	57,542	93,721	61,152	27,297	213,495	78,766	44,414	62		**576,449**
Other liabilities	128,343	3,272	5,790	8,189	41,503	21,120	59,760	98,443	213,645	**580,065**
Total equity								83,729		**83,729**
TOTAL	**1,122,962**	**214,265**	**137,690**	**77,777**	**261,546**	**123,118**	**174,350**	**185,349**	**213,645**	**2,510,702**

Interest rate sensitive, net	–116,106	49,602	–13,962	29,828	5,567	17,098	24,397	–11,209	14,785	
Cumulative sensitive	–116,106	–66,504	–80,466	–50,638	–45,071	–27,973	–3,576	–14,785		

44 Loans and loan loss provisions

	Group		Parent company	
	2009	2008	2009	2008
Loans to credit institutions[1]	331,460	266,363	376,223	349,073
Loans to the public[1]	1,187,837	1,296,777	732,475	768,737
TOTAL	**1,519,297**	**1,563,140**	**1,108,698**	**1,117,810**

1) Including debt instruments classified as Loans.

Loans

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Performing loans	1,508,801	1,557,784	1,107,831	1,117,256
Individually assessed impaired loans, past due > 60 days	18,157	10,463	1,914	1,560
Individually assessed impaired loans, performing or past due < 60 days	3,167	948	89	32
Portfolio assessed loans, past due > 60 days	6,937	3,164	679	663
Portfolio assessed loans, restructured	312			
Loans prior to reserves	**1,537,374**	**1,572,359**	**1,110,513**	**1,119,511**
Specific reserves for individually assessed loans	–10,456	–5,022	–1,131	–903
Collective reserves for individually assessed loans	–4,371	–2,793	–568	–720
Collective reserves for portfolio assessed loans	–3,250	–1,404	–116	–78
Reserves	**–18,077**	**–9,219**	**–1,815**	**–1,701**
TOTAL	**1,519,297**	**1,563,140**	**1,108,698**	**1,117,810**

Loans by category of borrower

Group 2009	Credit-institutions	Corporates	Property Management	Administration	Households	Total
Performing loans	331,284	467,167	207,595	80,952	421,803	**1,508,801**
Individually assessed impaired loans, past due > 60 days	339	7,235	9,664		919	**18,157**
Individually assessed impaired loans, performing or past due < 60 days	3	1,646	1,420		98	**3,167**
Portfolio assessed loans, past due > 60 days		1,421			5,516	**6,937**
Portfolio assessed loans, restructured					312	**312**
Loans prior to reserves	**331,626**	**477,469**	**218,679**	**80,952**	**428,648**	**1,537,374**
Specific reserves for individually assessed loans	–165	–5,030	–4,774		–487	**–10,456**
Collective reserves for individually assessed loans	–1	–3,407	–598	–7	–358	**–4,371**
Collective reserves for portfolio assessed loans		–834			–2,416	**–3,250**
Reserves	**–166**	**–9,271**	**–5,372**	**–7**	**–3,261**	**–18,077**
TOTAL	**331,460**	**468,198**	**213,307**	**80,945**	**425,387**	**1,519,297**

Group 2008	Credit-institutions	Corporates	Property Management	Administration	Households	Total
Performing loans	266,193	560,905	222,916	100,418	407,352	**1,557,784**
Individually assessed impaired loans, past due > 60 days	320	5,166	4,235		742	**10,463**
Individually assessed impaired loans, performing or past due < 60 days	6	269	659		14	**948**
Portfolio assessed loans, past due > 60 days		648			2,516	**3,164**
Loans prior to reserves	**266,519**	**566,988**	**227,810**	**100,418**	**410,624**	**1,572,359**
Specific reserves for individually assessed loans	–156	–2,698	–1,811		–357	**–5,022**
Collective reserves for individually assessed loans		–2,123	–291	–10	–369	**–2,793**
Collective reserves for portfolio assessed loans		–197			–1,207	**–1,404**
Reserves	**–156**	**–5,018**	**–2,102**	**–10**	**–1,933**	**–9,219**
TOTAL	**266,363**	**561,970**	**225,708**	**100,408**	**408,691**	**1,563,140**

Note 44 ctd. Loans and loan loss provisions / Loans by category of borrower

Parent company 2009	Credit-institutions	Corporates	Property Management	Administration	Households	Total
Performing loans	376,048	366,519	96,420	46,237	222,607	**1,107,831**
Individually assessed impaired loans, past due > 60 days	339	1,304	260		11	**1,914**
Individually assessed impaired loans, performing or past due < 60 days	1	51	35		2	**89**
Portfolio assessed loans, past due > 60 days					679	**679**
Loans prior to reserves	**376,388**	**367,874**	**96,715**	**46,237**	**223,299**	**1,110,513**
Specific reserves for individually assessed loans	–165	–784	–180		–2	**–1,131**
Collective reserves for individually assessed loans		–565		–3		**–568**
Collective reserves for portfolio assessed loans					–116	**–116**
Reserves	**–165**	**–1,349**	**–180**	**–3**	**–118**	**–1,815**
TOTAL	**376,223**	**366,525**	**96,535**	**46,234**	**223,181**	**1,108,698**

Parent company 2008						
Performing loans	348,904	407,935	106,869	18,401	235,147	**1,117,256**
Individually assessed impaired loans, past due > 60 days	320	1,009	231			**1,560**
Individually assessed impaired loans, performing or past due < 60 days		17	12		3	**32**
Portfolio assessed loans, past due > 60 days		45			618	**663**
Loans prior to reserves	**349,224**	**409,006**	**107,112**	**18,401**	**235,768**	**1,119,511**
Specific reserves for individually assessed loans	–151	–577	–172		–3	**–903**
Collective reserves for individually assessed loans		–720				**–720**
Collective reserves for portfolio assessed loans					–78	**–78**
Reserves	**–151**	**–1,297**	**–172**		**–81**	**–1,701**
TOTAL	**349,073**	**407,709**	**106,940**	**18,401**	**235,687**	**1,117,810**

Loans by geographical region[1)]

Group 2009	The Nordic region	Germany	The Baltic region	Other	Total
Performing loans	963,565	382,559	129,751	32,926	**1,508,801**
Individually assessed impaired loans, past due > 60 days	1,878	4,443	11,224	612	**18,157**
Individually assessed impaired loans, performing or past due < 60 days	89	361	2,708	9	**3,167**
Portfolio assessed loans, past due > 60 days	1,822	135	4,439	541	**6,937**
Portfolio assessed loans, restructured			312		**312**
Loans prior to reserves	**967,354**	**387,498**	**148,434**	**34,088**	**1,537,374**
Specific reserves for individually assessed loans	–1,094	–2,368	–6,632	–362	**–10,456**
Collective reserves for individually assessed loans	–1,016	–703	–2,467	–185	**–4,371**
Collective reserves for portfolio assessed loans	–628	–39	–2,267	–316	**–3,250**
Reserves	**–2,738**	**–3,110**	**–11,366**	**–863**	**–18,077**
TOTAL	**964,616**	**384,388**	**137,068**	**33,225**	**1,519,297**

Group 2008					
Performing loans	971,314	373,608	172,368	40,494	**1,557,784**
Individually assessed impaired loans, past due > 60 days	1,816	4,913	3,478	256	**10,463**
Individually assessed impaired loans, performing or past due < 60 days	31	792	125		**948**
Portfolio assessed loans, past due > 60 days	604		1,896	664	**3,164**
Loans prior to reserves	**973,765**	**379,313**	**177,867**	**41,414**	**1,572,359**
Specific reserves for individually assessed loans	–852	–2,675	–1,345	–150	**–5,022**
Collective reserves for individually assessed loans				–2,793	**–2,793**
Collective reserves for portfolio assessed loans				–1,404	**–1,404**
Reserves	**–852**	**–2,675**	**–1,345**	**–4,347**	**–9,219**
TOTAL	**972,913**	**376,638**	**176,522**	**37,067**	**1,563,140**

Note 44 ctd. Loans and loan loss provisions / Loans by geographical region

Parent company 2009	The Nordic region	Germany	The Baltic region	Other	Total
Performing loans	1,079,222		7	28,602	**1,107 831**
Individually assessed impaired loans, past due > 60 days	1,349			565	**1,914**
Individually assessed impaired loans, performing or past due < 60 days	89				**89**
Portfolio assessed loans, past due > 60 days				679	**679**
Loans prior to reserves	**1,080,660**		**7**	**29,846**	**1,110,513**
Specific reserves for individually assessed loans	–863			–268	**–1,131**
Collective reserves for individually assessed loans	–568				**–568**
Collective reserves for portfolio assessed loans				–116	**–116**
Reserves	**–1,431**			**–384**	**–1,815**
TOTAL	**1,079,229**		**7**	**29,462**	**1,108,698**

Parent company 2008	The Nordic region	Germany	The Baltic region	Other	Total
Performing loans	1,066,968			50,288	**1,117,256**
Individually assessed impaired loans, past due > 60 days	1,219			341	**1,560**
Individually assessed impaired loans, performing or past due < 60 days	31			1	**32**
Portfolio assessed loans, past due > 60 days	663				**663**
Loans prior to reserves	**1,068,881**			**50,630**	**1,119,511**
Specific reserves for individually assessed loans	–719			–184	**–903**
Collective reserves for individually assessed loans	–570			–150	**–720**
Collective reserves for portfolio assessed loans	–78				**–78**
Reserves	**–1,367**			**–334**	**–1,701**
TOTAL	**1,067,514**			**50,296**	**1,117,810**

1) The geographical distribution is based on where the loan is booked.

	Group		Parent company	
Loans against collateral	2009	2008	2009	2008
Mortgage, real property	629,168	630,639	384,936	349,283
Securities and deposits	21,028	22,068	16,360	18,386
Public Administration	80,953	100,418	12,765	18,402
Banks	214,319	177,766	306,875	283,281
Unsecured loans	225,271	296,944	106,763	170,611
Other[1]	137,378	133,886	118,478	86,977
Loans	**1,308,117**	**1,361,721**	**946,177**	**926,940**
Repos	103,918	102,446	88,611	89,925
Debt instruments classified as Loans	125,339	108,192	75,725	102,646
Reserves	–18,077	–9,219	–1,815	–1,701
TOTAL	**1,519,297**	**1,563,140**	**1,108,698**	**1,117,810**

1) Including floating charges, factoring, leasing, guarantees etc.

Loans renegotiated current year				
Book value of loans prior to renegotiation	1,416	3	937	3
Book value of loans after renegotiation	1,416	3	937	3

Loans reclassified current year				
Book value of impaired loans which have regained normal status	373	370	2	19

Note 44 ctd. Loans and loan loss provisions

	Group		Parent company	
Individually assessed loans	**2009**	2008	**2009**	2008
Impaired loans, past due > 60 days	18,157	10,463	1,914	1,560
Impaired loans, performing or past due < 60 days	3,167	948	89	32
Total impaired loans	**21,324**	**11,411**	**2,003**	**1,592**
Specific reserves	–10,456	–5,022	–1,131	–903
for impaired loans, past due > 60 days	–9,489	–4,679		–875
for impaired loans, performing or past due < 60 days	–967	–343	–1,131	–28
Collective reserves	–4,371	–2,793	–568	–720
Impaired loans net	**6,497**	**3,596**	**304**	**–31**
Specific reserve ratio for individually assessed impaired loans	49.0%	44.0%	56.5%	56.7%
Total reserve ratio for individually assessed impaired loans	69.5%	68.5%	84.8%	101.9%
Net level of impaired loans	0.72%	0.41%	0.08%	0.06%
Gross level of impaired loans	1.39%	0.73%	0.18%	0.14%

Portfolio assessed loans				
Loans past due > 60 days	6,937	3,164	679	663
Restructured loans	312			
Total	**7,249**	**3,164**	**679**	**663**
Collective reserves	–3,250	–1,404	–116	–78
Reserve ratio for portfolio assessed impaired loans	44.8%	44.4%	17.1%	11.8%

Loans past due but not determined to be impaired amounted to SEK 16,155m (13,203) (past due up to 30 days) and SEK 4,310m (4,495) (between 31 and 60 days). These loans represented 1.35 per cent (1.13) of the total lending volume.

Reserves

	Group		Parent company	
Specific loan loss reserves[1]	**2009**	2008	**2009**	2008
Opening balance	–5,022	–3,787	–903	–645
Reversals for utilisation	635	800	286	70
Provisions	–7,256	–1,718	–673	–347
Reversals	621	336	103	39
Exchange rate differences	566	–653	56	–20
Closing balance	**–10,456**	**–5,022**	**–1,131**	**–903**

1) Specific reserves for individually appraised loans.

Collective loan loss reserves[2]				
Opening balance	–4,197	–2,602	–798	–395
Net provisions	–3,806	–1,303	111	–393
Exchange rate differences	382	–292	3	–10
Closing balance	**–7,621**	**–4,197**	**–684**	**–798**

2) Collective reserves for individually appraised loans, reserves for loans assessed on a portfolio basis and country risk reserves.

Contingent liabilities reserves				
Opening balance	–251	–209		–3
Net provisions	–224	–56	46	3
Exchange rate differences	–3	14		
Closing balance	**–478**	**–251**	**46**	
TOTAL	**–18,555**	**–9,470**	**–1,769**	**–1,701**

45 Derivative instruments

	Group		Parent company	
	2009	2008	**2009**	2008
Interest-related	94,464	133,221	87,249	135,415
Currency-related	41,126	114,373	40,846	108,258
Equity-related	2,027	3,247	2,007	3,087
Other	5,819	8,740	5,762	8,698
Positive replacement values	**143,436**	**259,581**	**135,864**	**255,458**
Interest-related	87,164	123,630	77,602	121,768
Currency-related	39,818	112,195	39,390	105,470
Equity-related	1,157	2,858	959	2,088
Other	273	826	174	757
Negative replacement values	**128,412**	**239,509**	**118,125**	**230,083**

	Positive replacement values		Negative replacement values	
Group 2009	Nom. amount	Book value	Nom. amount	Book value
Options	111,718	6,846	104,588	4,509
Futures	930,298	4,891	1,007,467	4,932
Swaps	2,524,743	82,727	2,514,234	77,723
Interest-related	**3,566,759**	**94,464**	**3,626,289**	**87,164**
of which, cleared	1,600	13	836	12
Options	157,885	1,768	155,640	1,914
Futures	327,768	5,557	311,087	5,329
Swaps	3,177,853	33,801	3,175,795	32,575
Currency-related	**3,663,506**	**41,126**	**3,642,522**	**39,818**
of which, cleared	26,943	286	26,561	213
Options	600	1,909	5,544	824
Futures	188	50	62	56
Swaps	15,398	68	15,747	277
Equity-related	**16,186**	**2,027**	**21,353**	**1,157**
of which, cleared	188	366	62	376
Options	371	24	483	56
Futures	416	44	416	43
Swaps	29,670	5,751	28,221	174
Other	**30,457**	**5,819**	**29,120**	**273**
of which, cleared	787	67	787	67
TOTAL	**7,276,908**	**143,436**	**7,319,284**	**128,412**
of which, cleared	29,518	732	28,246	668
Group 2008				
Options	122,949	4,580	103,309	4,760
Futures	1,634,813	16,529	1,483,235	15,935
Swaps	3,375,754	112,112	3,395,567	102,935
Interest-related	**5,133,516**	**133,221**	**4,982,111**	**123,630**
of which, cleared	11,037	25	3,304	9
Options	175,588	4,373	178,114	4,419
Futures	385,795	18,779	381,687	15,741
Swaps	3,256,885	91,221	3,255,529	92,035
Currency-related	**3,818,268**	**114,373**	**3,815,330**	**112,195**
of which, cleared	29,150	3,135	30,933	2,506
Options	12,479	2,819	6,539	2,511
Futures	3,797	131	2,564	156
Swaps		297	11,387	191
Equity-related	**16,276**	**3,247**	**20,490**	**2,858**
of which, cleared	3,758	1,109	2,564	977
Options	1,699	32	1,798	59
Futures	266	10	266	10
Swaps	37,314	8,698	38,714	757
Other	**39,279**	**8,740**	**40,778**	**826**
of which, cleared	1,966	42	1,966	42
TOTAL	**9,007,339**	**259,581**	**8,858,709**	**239,509**
of which, cleared	45,911	4,311	38,767	3,534

Note 45 ctd. Derivative instruments

	Positive replacement values		Negative replacement values	
Parent company 2009	Nom. amount	Book value	Nom. amount	Book value
Options	85,919	4,723	89,501	4,438
Futures	928,726	4,793	1,006,656	4,920
Swaps	2,283,889	77,733	2,282,299	68,244
Interest-related	**3,298,534**	**87,249**	**3,378,456**	**77,602**
Options	154,104	1,657	154,335	1,910
Futures	275,160	4,757	275,393	4,895
Swaps	3,141,871	34,432	3,140,697	32,585
Currency-related	**3,571,135**	**40,846**	**3,570,425**	**39,390**
Options		1,901		645
Futures		38		54
Swaps	15,397	68	15,397	260
Equity-related	**15,397**	**2,007**	**15,397**	**959**
of which, cleared		355		374
Swaps	29,670	5,762	28,222	174
Other	**29,670**	**5,762**	**28,222**	**174**
TOTAL	**6,914,736**	**135,864**	**6,992,500**	**118,125**
of which, cleared		355		374
Parent company 2008				
Options	96,081	5,033	92,810	5,297
Futures	1,623,777	17,078	1,479,869	16,223
Swaps	3,208,935	113,304	3,207,514	100,248
Interest-related	**4,928,793**	**135,415**	**4,780,193**	**121,768**
Options	187,936	4,063	188,334	3,540
Futures	357,244	16,405	353,319	13,005
Swaps	3,341,814	87,790	3,343,694	88,925
Currency-related	**3,886,994**	**108,258**	**3,885,347**	**105,470**
Options		2,684		1,851
Futures		106		46
Swaps	11,446	297	11,446	191
Equity-related	**11,446**	**3,087**	**11,446**	**2,088**
of which, cleared		1,084		1,049
Swaps	37,423	8,698	38,823	757
Other	**37,423**	**8,698**	**38,823**	**757**
TOTAL	**8,864,656**	**255,458**	**8,715,809**	**230,083**
of which, cleared		1,084		1,049

46 Fair value information

	Group 2009		Group 2008	
	Book value	Fair value	Book value	Fair value
Cash and cash balances with central banks	36,589	36,586	44,852	44,852
Loans to credit institutions	331,460	332,221	266,363	267,222
Loans to the public	1,187,837	1,183,644	1,296,777	1,296,765
Securities held for trading	*187,924*	*187,924*	*161,596*	*161,596*
Derivatives held for trading	*133,230*	*133,230*	*248,426*	*248,426*
Derivatives used for hedging	*10,206*	*10,206*	*11,155*	*11,155*
Fair value changes of hedged items in a portfolio hedge	*4,026*	*4,026*	*3,503*	*3,503*
Financial assets – policyholders bearing the risk	*155,486*	*155,486*	*114,425*	*114,425*
Other financial assets designated at fair value	*90,769*	*90,769*	*96,349*	*96,349*
Financial assets at fair value	581,641	581,641	635,454	635,454
Available-for-sale financial assets	87,948	87,948	163,115	163,115
Held-to-maturity investments	1,332	1,344	1,997	1,997
Assets held for sale	596	596	852	852
Investments in associates	995	995	1,129	1,129
Intangible assets	*17,177*	*17,177*	*19,395*	*19,395*
Property and equipment	*2,417*	*2,417*	*2,626*	*2,634*
Investment properties	*8,176*	*8,176*	*7,490*	*7,490*
Tangible and intangible assets	27,770	27,770	29,511	29,519
Current tax assets	*3,898*	*3,898*	*3,998*	*3,998*
Deferred tax assets	*1,624*	*1,624*	*2,836*	*2,836*
Trade and client receivables	*14,637*	*14,637*	*13,402*	*13,402*
Withheld margins of safety	*17,120*	*17,120*	*30,361*	*30,361*
Other assets	*14,780*	*14,780*	*20,055*	*20,055*
Other assets	52,059	52,059	70,652	70,652
TOTAL ASSETS	**2,308,227**	**2,304,804**	**2,510,702**	**2,511,557**
Deposits from credit institutions	397,433	397,578	429,425	430,091
Deposits and borrowing from the public	801,088	802,821	841,034	841,290
Liabilities to policyholders – investment contracts	*155,860*	*155,855*	*115,110*	*115,106*
Liabilities to policyholders – insurance contracts	*93,149*	*93,149*	*95,960*	*95,960*
Liabilities to policyholders	249,009	249,004	211,070	211,066
Debt securities	456,043	465,020	525,219	527,742
Trading derivatives	*119,293*	*119,293*	*231,341*	*231,341*
Derivatives used for hedging	*9,119*	*9,119*	*8,168*	*8,168*
Trading liabilities	*61,529*	*61,529*	*54,411*	*54,411*
Fair value changes of hedged items in portfolio hedge	*1,499*	*1,499*	*1,613*	*1,613*
Financial liabilities at fair value	191,440	191,440	295,533	295,533
Current tax liabilities	*1,547*	*1,547*	*1,148*	*1,148*
Deferred tax liabilities	*10,299*	*10,299*	*9,810*	*9,810*
Trade and client payables	*16,401*	*16,401*	*9,498*	*9,498*
Withheld margins of safety	*21,399*	*21,399*	*25,047*	*25,047*
Other liabilities	*25,503*	*25,503*	*26,062*	*26,062*
Other liabilities	75,149	75,149	71,565	71,565
Provisions	2,033	2,033	1,897	1,897
Subordinated liabilities	36,363	32,063	51,230	40,264
TOTAL LIABILITIES	**2,208,558**	**2,215,108**	**2,426,973**	**2,419,448**

The above calculation comprises balance sheet items at fixed rates of interest during fixed periods. This means that all items subject to variable rates of interest, i.e. deposit/lending volumes for which interest terms are market-related, have not been recalculated; the nominal amount is considered to equal a fair value.

When calculating fair values for fixed-interest rate lending, future interest income is discounted with the help of a market interest curve, which has been adjusted for applicable margins on new lending. Correspondingly, fixed-interest rate-related deposits/lending are discounted with the help of the market interest curve, adjusted for relevant margins.

In addition to fixed-rate deposits/lending, adjustments have also been made for surplus values in properties and certain shareholdings.

One effect of this calculation method is that the fair values arrived at in times of falling margins on new lending will be higher than book values, while the opposite is true in times of rising margins. It should furthermore be noted that this calculation does not represent a market valuation of the Group as a company.

47 Related party disclosures*

Parent company 2009	Group companies Assets/ Liabilities	Group companies Interest	Associated companies Assets/ Liabilities	Associated companies Interest	Total Assets/ Liabilities	Total Interest
Loans to credit institutions	169,409	2,969			**169,409**	**2,969**
Loans to the public	41,230	1,198	352	3	**41,582**	**1,201**
Bonds and other interest-bearing securities	5,556	193			**5,556**	**193**
Other assets	13,086				**13,086**	
TOTAL	**229,281**	**4,360**	**352**	**3**	**229,633**	**4,363**
Deposits from credit institutions	72,454	–1,068			**72,454**	**–1,068**
Deposits and borrowings from the public	9,444	–80	5		**9,449**	**–80**
Issued securities	2,649	–96			**2,649**	**–96**
Other liabilities	6,822				**6,822**	
TOTAL	**91,369**	**–1,244**	**5**	**0**	**91,374**	**–1,244**
Parent company 2008						
Loans to credit institutions	148,449	5,988			**148,449**	**5,988**
Loans to the public	58,075	2,286	9		**58,084**	**2,286**
Bonds and other interest-bearing securities	7,599	299			**7,599**	**299**
Other assets	25,023	26			**25,023**	**26**
TOTAL	**239,146**	**8,599**	**9**		**239,155**	**8,599**
Deposits from credit institutions	85,036	–3,173			**85,036**	**–3,173**
Deposits and borrowings from the public	11,647	–350	122		**11,769**	**–350**
Issued securities	979	–27			**979**	**–27**
Other liabilities	20,362				**20,362**	
TOTAL	**118,024**	**–3,550**	**122**		**118,146**	**–3,550**

* For information about Top management, The Group Executive Committee and Other related parties see note 9c.

The Group has insurance administration and asset management agreements with Gamla Livförsäkringsbolaget SEB Trygg Liv to conditions on the market. SEB has during 2009 received SEK 186m (195) regarding the insurance administration agreement and SEK 137m (86) regarding the asset management agreement. For more information on Gamla Livförsäkringsbolaget SEB Trygg Liv, see note 51.

48 Capital adequacy

Calculation of capital base	Financial group of undertakings[1] 2009	Financial group of undertakings[1] 2008	Parent company 2009	Parent company 2008
Total equity according to balance sheet	99,669	83,729	65,622	43,159
Proposed dividend (excl repurchased shares)	–2,193		–2,193	
Investments outside the financial group of undertakings	–47	–76		
Other deductions outside the financial group of undertakings [2]	–2,570	–2,878		
Total equity in the capital adequacy	**94,859**	**80,775**	**63,429**	**43,159**
Untaxed reserves			16,689	15,577
Adjustment for hedge contracts	–419	–1,395	–398	–1,365
Net provisioning amount for Internal Rating Based (IRB) reported credit exposures	–297	–1,133	–1,281	–599
Unrealised value changes on available-for-sale financial assets	1,096	3,062	1,532	2,585
Exposures where Risk-Weighted-Assets (RWA) is not calculated [3]	–1,169		–1,169	
Goodwill [4]	–4,464	–7,305	–209	–524
Other intangible assets	–2,616	–2,090	–1,142	–812
Deferred tax assets	–1,609	–1,822		–1,338
Core Tier I capital	**85,381**	**70,092**	**77,451**	**56,683**
Tier I capital contribution (non-innovative)	5,130		5,130	
Tier I capital contribution (innovative)	11,093	12,371	11,093	10,005
Tier I capital	**101,604**	**82,463**	**93,674**	**66,688**
Dated subordinated debt	11,028	21,552	10,259	20,665
Deduction for remaining maturity	–658	–2,242		–1,530
Perpetual subordinated debt	7,386	14,421	7,386	16,787
Net provisioning amount for IRB-reported credit exposures	–297	–1,133	–1,281	–599
Unrealised gains on available-for-sale financial assets	642	1,221	44	1,022
Exposures where RWA is not calculated [3]	–1,169		–1,169	
Investments outside the financial group of undertakings	–47	–76		
Tier II capital	**16,885**	**33,743**	**15,239**	**36,345**
Investments in insurance companies [5]	–10,601	–10,620		
Pension assets in excess of related liabilities	–543	–863		
CAPITAL BASE	**107,345**	**104,723**	**108,913**	**103,033**

Note 48 ctd. Capital adequacy

Calculation of capital requirements	Financial group of undertakings[1] 2009	2008	Parent company 2009	2008
Credit risk, IRB reported capital requirements				
Institutions	4,016	4,472	2,539	2,776
Corporates	32,406	37,158	20,488	23,410
Securitisation positions	847	572	844	568
Retail mortgages	5,202	4,627	2,523	1,342
Other retail exposures	863			
Other exposure classes	131	559		
Total credit risk, IRB approach	**43,465**	**47,388**	**26,394**	**28,096**
Further capital requirements				
Credit risk, Standardised approach	7,805	11,610	18,572	21,229
Operational risk, Advanced Measurement approach	3,157	3,080	1,952	1,545
Foreign exchange rate risk	636	570	609	567
Trading book risks	3,376	2,775	3,147	2,538
Total	**58,439**	**65,423**	**50,674**	**53,975**
Summary				
Credit risk	51,270	58,998	44,966	49,325
Operational risk	3,157	3,080	1,952	1,545
Market risk	4,012	3,345	3,756	3,105
Total before flooring rules	**58,439**	**65,423**	**50,674**	**53,975**
Adjustment for flooring rules				
Additional requirement according to transitional flooring[6]	5,175	13,460		
TOTAL REPORTED CAPITAL REQUIREMENTS	**63,614**	**78,883**	**50,674**	**53,975**
Expressed as Risk-weighted-assets	**795,177**	**986,034**	**633,420**	**674,683**
Calculation of capital ratios				
Tier I capital	101,604	82,463	93,674	66,688
Capital base	107,345	104,723	108,913	103,033
Total risk weighted amount for credit, market and operational risks	795,177	986,034	633,420	674,683
Tier I capital ratio, %	**12.78**	**8.36**	**14.79**	**9.88**
Total capital ratio, %	**13.50**	**10.62**	**17.19**	**15.27**
Capital adequacy quotient (capital base/capital requirement)	**1.69**	**1.33**	**2.15**	**1.91**

1) The capital adequacy reporting comprises the financial group of undertakings which includes non-consolidated associated companies and excludes insurance companies.
2) The deduction from total equity in the consolidated balance sheet consists of retained earnings in subsidiaries outside the financial group of undertakings.
3) Securitisation positions with external rating below BB/Ba are not included in RWA calculations but are treated via deductions from Tier I and Tier II capital.
4) The goodwill that is included in the capital base differs from the amounts stated in the balance sheet due to the inclusion of companies in the capital adequacy calculation that are not consolidated in the Group's balance sheet.
5) Consolidation into the entire Group's balance sheet creates further goodwill from acquisitions of insurance companies; this is included in the deduction for insurance investments.
6) Addition for transition rule according to the Swedish law (2006:1372) for implementation of the new capital requirement from Basel I to Basel II.

49 Future minimum lease payments for operational leases*

	Group 2009	2008	Parent company 2009	2008
Year 2009		1,659		564
Year 2010	1,696	1,399	826	438
Year 2011	1,305	979	733	357
Year 2012	1,137	835	654	327
Year 2013	968	711	571	291
Year 2014 and later	3,679	2,144	2,592	1,390
TOTAL	**8,785**	**7,727**	**5,376**	**3,367**

* Leases for premises and other operational leases.

50 Assets and liabilities distributed by main currencies

	Group		Parent company	
	2009	2008	2009	2008
SEK	82,025	95,228	84,893	97,509
EUR	137,798	73,946	166,113	160,924
USD	65,230	58,845	67,911	43,959
GBP	12,666	12,595	15,003	13,843
DKK	27,683	20,321	27,412	18,056
NOK	2,448	1,995	8,004	7,311
Other currencies	3,610	3,433	6,887	7,471
Loans to credit institutions	331,460	266,363	376,223	349,073
SEK	510,422	497,655	479,314	467,353
EUR	482,195	576,714	116,405	153,187
USD	80,202	94,259	71,434	82,380
GBP	13,008	14,074	10,212	11,485
DKK	25,192	19,601	23,347	24,377
NOK	38,466	36,081	23,560	21,600
Other currencies	38,352	58,393	8,203	8,355
Loans to the public	1,187,837	1,296,777	732,475	768,737
SEK	280,761	306,266	211,357	266,482
EUR	200,033	268,787	72,828	94,426
USD	30,155	41,111	20,973	39,550
GBP	3,784	3,688	3,143	2,972
DKK	98,296	118,565	22,505	28,875
NOK	46,049	50,136	43,881	59,075
Other currencies	12,838	13,142	10,340	9,643
Financial assets	671,916	801,695	385,027	501,023
SEK	32,522	40,889	44,332	46,430
EUR	24,586	44,816	9,384	26,573
USD	1,772	10,355	3,931	9,324
GBP	611	744	2,332	460
DKK	31,490	18,544	11,160	2,609
NOK	11,492	11,768	13,398	3,699
Other currencies	14,541	18,751	17,654	572
Other assets	117,014	145,867	102,191	89,667
Total assets	**2,308,227**	**2,510,702**	**1,595,916**	**1,708,500**
SEK	905,730	940,038	819,896	877,774
EUR	844,612	964,263	364,730	435,110
USD	177,359	204,570	164,249	175,213
GBP	30,069	31,101	30,690	28,760
DKK	182,661	177,031	84,424	73,917
NOK	98,455	99,980	88,843	91,685
Other currencies	69,341	93,719	43,084	26,041
TOTAL ASSETS	**2,308,227**	**2,510,702**	**1,595,916**	**1,708,500**

Note 50 ctd. Assets and liabilities distributed by main currencies

	Group		Parent company	
Liabilities, provisions and shareholders' equity	2009	2008	2009	2008
SEK	145,411	72,119	145,935	79,889
EUR	104,766	124,924	87,846	97,031
USD	85,618	148,466	88,955	148,397
GBP	3,845	8,718	4,077	9,118
DKK	33,302	33,026	33,750	33,820
NOK	13,026	24,249	13,995	24,815
Other currencies	11,465	17,923	11,972	17,035
Deposits from credit institutions	397,433	429,425	386,530	410,105
SEK	299,886	297,598	298,138	293,308
EUR	301,597	378,330	54,860	67,323
USD	97,493	63,214	90,807	55,957
GBP	11,840	11,110	10,889	10,237
DKK	14,088	11,202	9,708	7,086
NOK	25,516	19,327	19,844	13,407
Other currencies	50,668	60,253	6,604	6,379
Deposits and borrowing from the public	801,088	841,034	490,850	453,697
SEK	379,165	459,348	264,868	368,095
EUR	292,509	303,988	168,944	142,481
USD	69,918	104,709	65,774	103,472
GBP	14,425	7,909	12,047	1,907
DKK	106,182	106,544	18,920	19,191
NOK	27,194	39,661	26,074	40,070
Other currencies	7,099	9,663	2,907	6,543
Financial liabilities	896,492	1,031,822	559,534	681,759
SEK	21,142	15,957	9,830	9,023
EUR	17,545	17,687	8,993	17,539
USD	13,984	18,861	13,427	17,090
GBP	36	413	–1,112	335
DKK	12,612	7,575	–162	464
NOK	3,338	3,073	–120	8
Other currencies	8,525	9,896	4,380	3,986
Other liabilities	77,182	73,462	35,236	48,445
EUR	21,997	26,290	21,228	25,352
USD	6,395	12,240	6,395	12,240
GBP	5,787	10,301	5,787	10,301
NOK	122	110	25	23
Other currencies	2,062	2,289	2,063	2,283
Subordinated liabilities	36,363	51,230	35,498	50,199
SEK	99,863	87,004	88,530	66,899
EUR	–1,709	–2,509	–1,688	–1,992
USD	–1,367	–2,309	–1,367	–2,309
GBP	1,665	373	1,665	373
DKK	–85	145	–263	3
NOK	1,382	1,118	1,382	1,118
Other currencies	–80	–93	9	203
Shareholders' equity and untaxed reserves	99,669	83,729	88,268	64,295
Total liabilities and equity	**2,308,227**	**2,510,702**	**1,595,916**	**1,708,500**
SEK	945,482	932,026	807,301	817,214
EUR	736,710	848,710	340,183	347,734
USD	272,042	345,181	263,991	334,847
GBP	37,533	38,824	33,353	32,271
DKK	166,152	158,492	61,953	60,564
NOK	70,543	87,538	61,200	79,441
Other currencies	79,765	99,931	27,935	36,429
TOTAL LIABILITIES AND EQUITY	**2,308,227**	**2,510,702**	**1,595,916**	**1,708,500**

51 Life insurance operations

INCOME STATEMENTS	Group 2009	2008
Premium income, net	7,313	7,126
Income investment contracts		
Own fees including risk gain/loss	1,031	951
Commissions from fund companies	1,017	952
	2,048	1,903
Net investment income	5,308	–2,566
Other operating income	412	409
Total income, gross	**15,081**	**6,872**
Claims paid, net	–8,216	–9,330
Change in insurance contract provisions	–2,440	5,718
Total income, net	**4,425**	**3,260**
Of which from other units within the SEB group	*828*	*885*
Expenses for acquisition of investment and insurance contracts		
Acquisition costs	–1,485	–1,504
Change in deferred acquisition costs	165	288
	–1,320	–1,216
Administrative expenses	–963	–957
Other operating expenses	–27	–24
Total expenses	**–2,310**	**–2,197**
OPERATING PROFIT	**2,115**	**1,063**

CHANGE IN SURPLUS VALUES IN DIVISION SEB TRYGG LIV

Traditional insurance in SEB Pension Denmark is not included

Present value of new sales[1)]	1,556	1,588
Return on existing policies	1,159	1,465
Realised surplus value in existing policies	–1,446	–1,768
Actual outcome compared to assumptions[2)]	–204	–8
Change in surplus values from ongoing business, gross	**1,065**	**1,277**
Capitalisation of acquisition costs	–776	–807
Amortisation of capitalised acquisition costs	611	519
Change in surplus values from ongoing business, net[3)]	**900**	**989**
Financial effects due to short-term market fluctuations[4)]	2,019	–3,826
Change in assumptions[5)]	–709	–139
TOTAL CHANGE IN SURPLUS VALUES[6)]	**2,210**	**–2,837**

The calculation of surplus values in life insurance operations is based upon assumptions concerning the future development of written insurance contracts and a risk-adjusted discount rate. The most important assumptions (Swedish customer base – which represent 96 per cent of the surplus value):

	2009	2008
Discount rate	7.5%	7.5%
Surrender of endowment insurance contracts: signed within 1 year / 2–4 years / 5 years / thereafter	1% / 8% / 15% / 9%	1% / 10% / 20% / 11%
Lapse rate of regular premiums, unit-linked	11%	11%
Growth in fund units, gross before fees and taxes	5.5%	5.5%
Inflation CPI / Inflation expenses	2% / 3%	2% / 3%
Expected return on solvency margin	4%	4%
Right to transfer policy, unit-linked	2%	1%
Mortality	The Group's experience	The Group's experience

1) Sales defined as new contracts and extra premiums in existing contracts.
2) The reported actual outcome of contracts signed can be placed in relation to the operative assumptions that were made. Thus, the value of the deviations can be estimated. The most important components consist of extensions of contracts as well as cancellations. However, the actual income and administrative expenses are included in full in the operating result.
3) Deferred acquisition costs are capitalised in the accounts and amortised according to plan. The reported change in surplus values is therefore adjusted by the net result of the capitalisation and amortisation during the period.
4) Assumed unit growth is 5.5 per cent gross (before fees and taxes). Actual growth results in positive or negative financial effects.
5) The negative effect during 2009 was mainly to assumed higher frequency of transfer of policies. More conservative assumptions for the Baltic business contributed also negatively. During 2008 the major negative net effect was due to adjustments of the surrender rate and the lapse rate.
6) Calculated surplus values are not included in the SEB Group's consolidated accounts.

Note 51 ctd. Life insurance operations

SUMMARIZED FINANCIAL INFORMATION FOR GAMLA LIVFÖRSÄKRINGSBOLAGET SEB TRYGG LIV*

	Group	
Summary Income statements	**2009**	**2008**
Life insurance technical result	28,551	–52,252
Appropriations	–57	22
Taxes	–1,024	–1,071
NET RESULT	**27,470**	**–53,301**
Summary Balance sheet		
Total assets	194,117	204,357
TOTAL ASSETS	**194,117**	**204,357**
Total liabilties	123,042	155,514
Consolidation fund / equity	70,625	48,450
Untaxed reserves	450	393
TOTAL LIABILITIES AND EQUITY	**194,117**	**204,357**

* SEB owns all shares of Gamla Livförsäkringsbolaget SEB Trygg Liv except for a golden share owned by Trygg-Stiftelsen. Gamla Livförsäkringsbolaget SEB Trygg Liv is not consolidated as as subsidiary of the Group, since the ownership of SEB in Gamla Livförsäkringsbolaget SEB Trygg Liv does not result in control.

52 Assets in unit-link operations

Within the unit-linked business SEB holds, for its customer's account, a share of more than 50 per cent in 39 (41) funds, where SEB is the investment manager.

The total value of those funds amounted to SEK 82,547m (78,082) of which SEB, for its customer's account, holds SEK 60,647m (55,555).

53 Assets held for sale

	Group	
Balance sheet	**2009**	**2008**
Investment properties[1)]	392	846
Other	204	6
TOTAL	**596**	**852**

1) The investment properties held for sale belongs to SEB AG in Germany and are planned to be sold second half of 2010.

54 Reclassified portfolios

	Group		Parent company	
	2009	2008	**2009**	2008
Opening balance	107,899		102,646	
Reclassified	51,770	95,245		89,835
Amortisations	–6,683	–1,892	–6,789	–1,892
Securities sold	–18,180		–13,527	
Accrued coupon	465	847	89	711
Exchange rate differences	–9,932	13,699	–6,694	13,992
CLOSING BALANCE*	**125,339**	**107,899**	**75,725**	**102,646**
* Fair value if not reclassified	120,635	100,024		

Fair value impact – if not reclassified

In Equity (AFS origin)	759	–5,252	327	–5,252
In Income Statement (HFT origin)	1,412	–1,623	1,046	–1,623
TOTAL	**2,171**	**–6,875**	**1,373**	**–6,875**

Effect in Income Statement*

Net interest income	2,974	1,959	1,911	1,959
Net financial income	–5,141	13,699	–5,141	13,699
Other income	50		86	
TOTAL	**–2,117**	**15,658**	**–3,144**	**15,658**

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

Reclassified financial assets 2009
Amendments to IAS 39, endorsed by the European Union in October 2008, allow in rare circumstances financial assets to be reclassified out of the assets held for trading category. SEB considers the extreme disruption in the global financial markets and the sharp deterioration of the real economy in the second half of 2008 and continuing into 2009 to be such rare circumstances. SEB decided to reclassify SEK 52bn of its fixed income securities to loans and receivables category as of January 1st, 2009.

The reclassification includes SEK 5bn of assets from the held for trading category and SEK 47bn of assets from the available for sale category. SEB has the intention and ability to hold these securities for the foreseeable future or until maturity. The Group expects to receive cash flows in respect of principal amounts from the reclassified financial assets, in undiscounted cash flows amounting to SEK 1bn within 1–2 years, SEK 16bn within 2–5 years and SEK 35bn after 5 years. The average maturity of the reclassified financial assets is 6 years. The average effective interest rate of the reclassified financial assets is 4 per cent.

The accumulated fair value losses that the Group, upon reclassification, had recognised in the revaluation reserve in equity on available for sale assets amounted to SEK 1,090m. Had the Group not reclassified the financial assets, fair value gains amounting to SEK 59m would have been recognised in profit or loss and SEK 63m in the revaluation reserve in equity during 2009.

Amounts related to the reclassified financial assets are included in the above amounts for 2009.

The SEB Group

Income statements

SEK m	2009	2008	2007	2006	2005
Net interest income	19,490	18,710	15,998	14,281	14,282
Net fee and commission income	14,460	15,254	17,051	16,146	13,559
Net financial income	4,485	2,970	3,239	4,036	3,392
Net life insurance income	3,597	2,375	2,933	2,661	2,352
Net other income	2,181	1 795	1,219	1,623	642
Total operating income	**44,213**	**41,104**	**40,440**	**38,747**	**34,227**
Staff costs	–15,574	–16,241	–14,921	–14,363	–13,342
Other expenses	–8,128	–7,642	–6,919	–6,887	–7,574
Depreciation, amortisastion and impairment	–4,695	–1,524	–1,354	–1,287	–1,233
Total operating expenses	**–28,397**	**–25,407**	**–23,194**	**–22,537**	**–22,149**
Gains less losses on disposals of tangible and intangible assets	4	5	788	70	59
Net credit losses	–12,448	–3,231	–1,016	–718	–914
Operating profit	**3,372**	**12,471**	**17,018**	**15,562**	**11,223**
Income tax expense	–2,200	–2,421	–3,376	–2,939	–2,770
Net profit from continuing operations	**1,172**	**10,050**	**13,642**	**12,623**	**8,453**
Gains less losses from assets held for sale	6				–32
NET PROFIT	**1,178**	**10,050**	**13,642**	**12,623**	**8,421**
Attributable to minority interests	64	9	24	18	20
Attributable to equity holders	1,114	10,041	13,618	12,605	8,401

Balance sheets

SEK m	2009	2008	2007	2006	2005
Loans to credit institutions	331,460	266,363	263,012	179,339	177,592
Loans to the public	1,187,837	1,296,777	1,067,341	946,643	901,261
Financial assets	634,002	765,131	868,643	672,369	665,335
Other assets	154,928	182,431	145,466	136,090	145,550
TOTAL ASSETS	**2,308,227**	**2,510,702**	**2,344,462**	**1,934,441**	**1,889,738**
Deposits from credit institutions	397,433	429,425	421,348	365,980	399,494
Deposits and borrowing from the public	801,088	841,034	750,481	641,758	570,001
Liabilities to policyholders	249,009	211,070	225,916	203,719	185,363
Financial liabilities	663,884	830,250	760,894	552,153	581,099
Other liabilities	60,781	63,964	65,115	60,115	52,782
Subordinated liabilities	36,363	51,230	43,989	43,449	44,203
Total equity	99,669	83,729	76,719	67,267	56,796
TOTAL LIABILITIES AND EQUITY	**2,308,227**	**2,510,702**	**2,344,462**	**1,934,441**	**1,889,738**

Key ratios

	2009	2008	2007	2006	2005
Return on equity, %	1.2	13.1	19.3	20.8	15.8
Basic earnings per share, SEK	0.58	10.36	14.12	13.23	8.89
Cost/Income ratio	0.64	0.62	0.57	0.58	0.65
Credit loss level, %	0.92	0.30	0.11	0.08	0.11
Total reserve ratio for individually impaired loans, %	69.5	68.5			
Gross level of impaired loans, %	1.39	0.73			
Total capital ratio[1], %	13.5	10.6	11.0	11.5	10.8
Tier I capital ratio[1], %	12.8	8.4	8.6	8.2	7.5

1) 2009–2007 Basel II (with transitional rules), 2006–2005 Basel I.

Skandinaviska Enskilda Banken

Income statements

SEK m	2009	2008	2007	2006	2005
Net interest income	15,069	13,171	11,603	4,711	4,885
Net commission income	6,215	5,994	7,124	7,163	5,081
Net result of financial transactions	4,065	3,236	2,490	3,515	2,558
Other income	5,568	5,649	4,583	3,515	2,884
Total operating income	**30,917**	**28,050**	**25,800**	**18,904**	**15,408**
Administrative expenses	–12,117	–13,304	–12,589	–13,073	–10,854
Depreciation, amortisation and impairments of tangible and intangible assets	–5,125	–4,820	–4,847	–399	–336
Total operating costs	**–17,242**	**–18,124**	**–17,436**	**–13,472**	**–11,190**
Profit before credit losses	**13,675**	**9,926**	**8,364**	**5,432**	**4,218**
Net credit losses	–984	–773	–24	–134	–88
Impairment of financial assets	–1,222	–121	–106	–100	–220
Operating profit	**11,469**	**9,032**	**8,234**	**5,198**	**3,910**
Appropriations including pension compensation	–1,510	–2,117	–158	–345	–1,058
Taxes	–2,995	1,300	–591	–691	–293
NET PROFIT	**6,964**	**8,215**	**7,485**	**4,162**	**2,559**

Balance sheets

SEK m	2009	2008	2007	2006	2005
Loans to credit institutions	376,223	349,073	357,482	361,615	331,451
Loans to the public	732,475	768,737	637,138	336,562	291,861
Financial assets	419,267	501,023	511,800	434,596	473,073
Other assets	67,951	89,667	52,899	39,276	35,438
TOTAL ASSETS	**1,595,916**	**1,708,500**	**1,559,319**	**1,172,049**	**1,131,823**
Deposits from credit institutions	386,530	410,105	367,699	334,116	345,510
Deposits and borrowing from the public	490,850	453,697	412,499	390,085	324,719
Financial liabilities	559,534	681,759	642,132	315,765	349,550
Other liabilities	35,236	48,445	34,995	41,481	26,756
Subordinated liabilities	35,498	50,199	43,046	42,700	43,049
Shareholders' equity and untaxed reserves	88,268	64,295	58,948	47,902	42,239
TOTAL LIABILITIES, UNTAXED RESERVES AND SHAREHOLDERS' EQUITY	**1,595,916**	**1,708,500**	**1,559,319**	**1,172,049**	**1,131,823**

Key ratios

	2009	2008	2007	2006	2005
Return on equity, %	10.6	19.0	18.7	11.6	8.3
Cost/Income ratio	0.56	0.65	0.68	0.71	0.73
Credit loss level, %	0.10	0.08	0.00	0.02	0.02
Gross level of impaired loans, %	0.08	0.06	0.03	–0.01	0.02
Total capital ratio[1], %	17.2	15.3	16.2	29.0	26.9
Tier I capital ratio[1], %	14.8	9.9	10.2	16.5	15.7

1) 2009–2007 Basel II (with transitional rules), 2006–2005 Basel I.

Definitions

Return on equity
Net profit attributable to equity holders for the year as a percentage of average shareholders equity.

Return on business equity
Operating profit reduced by a standard tax rate per division, as a percentage of allocated capital.

Return on total assets
Net profit as a percentage of average assets, defined as the average of total assets at the opening of the year and at the close of March, June, September and December.

Return on risk-weighted assets
Net profit as a percentage of average risk-weighted assets, defined as the average of risk-weighted assets at the opening of the year and at the close of March, June, September and December.

Cost/Income-ratio
Total operating expenses as a percentage of total operating income.

Basic earnings per share
Net profit attributable to equity holders for the year as a percentage of the average number of shares.

Diluted earnings per share
Net profit attributable to equity holders for the year as a percentage of the average diluted number of shares.

Adjusted shareholders' equity per share
Shareholders' equity plus the equity portion of any surplus values in the holdings of interest-bearing securities and surplus value in life insurance operations as a percentage of the number of shares at year-end.

Risk-weighted assets
Total assets and off balance sheet items, weighted in accordance with capital adequacy regulation for credit risk. It is customary to also express regulatory capital requirements for market and operational risk as risk-weighted assets, yielding a total RWA number for these three risk categories. Defined only for the Financial Group of Undertakings which excludes insurance entities.

Tier I capital
Shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets (e.g. bank-related goodwill) and certain other adjustments. Tier I capital can also include qualifying forms of subordinated loans (Tier I capital contribution).

Tier II capital
Mainly subordinated loans not qualifying as Tier I capital contribution. Dated loans give a maturity-dependent reduction, and some further adjustments are made.

Capital base
The sum of Tier I and Tier II capital. Deductions should be made for investments in insurance companies and pension surplus values.

Tier I capital ratio
Tier I capital as a percentage of risk-weighted assets.

Total capital ratio
The capital base as a percentage of risk-weighted assets.

Credit loss level
Credit losses as a percentage of lending to the public and credit institutions (excluding banks) and loan guarantees at the opening of the year.

Gross level of impaired loans
Gross impaired loans as a percentage of gross loans to the public and credit institutions (excluding banks) and equipment leased to clients.

Net level of impaired loans
Net impaired loans (total impaired loans less specific reserves) as a percentage of the sum of loans to the public and credit institutions (excluding banks) and equipment leased to clients less specific reserves.

Specific reserve ratio for individually assessed impaired loans
Specific reserves as a percentage of total impaired loans.

Total reserve ratio for individually assessed impaired loans
Total reserves (specific reserves and collective reserves) as a percentage of total impaired loans.

Reserve ratio for portfolio assessed loans
Collective reserves as a percentage of portfolio assessed loans past due 60 days and restructured loans.

All figures within brackets refer to 2008 unless otherwise stated. Percentage changes refer to comparisons with 2008 unless otherwise stated.

Exchange rates used for converting main currencies in the Group consolidation

		Profit and loss account			Balance sheet		
		2009	2008	Change, %	**2009**	2008	Change, %
DKK	Danish kroner	1.426	1.290	11	1.379	1.468	–6
EEK	Estonian kroon	0.679	0.615	10	0.656	0.699	–6
EUR	Euro	10.622	9.614	10	10.260	10.937	–6
NOK	Norwegian kroner	1.216	1.170	4	1.236	1.111	11
LTL	Lithuanian litas	3.076	2.785	10	2.972	3.168	–6
LVL	Latvian lats	15.051	13.682	10	14.466	15.455	–6
USD	U.S. dollars	7.653	6.590	7	7.178	7.733	–7

Proposal for the distribution of profit

Standing at the disposal of the Annual General Meeting in accordance with the balance sheet of Skandinaviska Enskilda Banken, SEK 32,182,176,538

	SEK
Retained profits	25,218,140,840
Result for the year	6,964,035,698
Non-restricted equity	32,182,176,538

The board proposes that, following approval of the balance sheet of Skandinaviska Enskilda Banken for the financial year 2009, the Annual General Meeting should distribute the above-mentioned unappropriated funds as follows:

declare a dividend of	SEK
SEK 1.00 per Series A-share	2,170,019,294
SEK 1.00 per Series C-share	24,152,508
and bring forward to next year	29,988,004,736

The Board of Directors and the President declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations.

The statutory Administration Report of the Group and the Parent Company provides a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm 25 February, 2010

Marcus Wallenberg
CHAIRMAN

Tuve Johannesson
DEPUTY CHAIRMAN

Jacob Wallenberg
DEPUTY CHAIRMAN

Urban Jansson
DIRECTOR

Hans-Joachim Körber
DIRECTOR

Göran Lilja
DIRECTOR
APPOINTED BY THE EMPLOYEES

Cecilia Mårtensson
DIRECTOR
APPOINTED BY THE EMPLOYEES

Tomas Nicolin
DIRECTOR

Christine Novakovic
DIRECTOR

Jesper Ovesen
DIRECTOR

Carl Wilhelm Ros
DIRECTOR

Annika Falkengren
PRESIDENT AND CHIEF EXECUTIVE OFFICER
DIRECTOR

Auditors' report

To the annual meeting of the shareholders of Skandinaviska Enskilda Banken AB (publ); Corporate registration number 502032–9081

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Skandinaviska Enskilda Banken AB (publ) for the year 2009. The company's annual accounts are included in the printed version of this document on pages 20–56 and 65–140. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of Annual Accounts Act for Credit Institutions and Securities Companies when preparing the annual accounts and the application of international financial reporting standards IFRS as adopted by the EU and Annual Accounts Act for Credit Institutions and Securities Companies when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, Banking and Financing Business Act, Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with Annual Accounts Act for Credit Institutions and Securities Companies and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRS as adopted by the EU and Annual Accounts Act for Credit Institutions and Securities Companies and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm 25 February, 2010

PRICEWATERHOUSECOOPERS AB

Peter Clemedtson
AUTHORISED PUBLIC ACCOUNTANT
PARTNER IN CHARGE

Peter Nyllinge
AUTHORISED PUBLIC ACCOUNTANT


Marcus Wallenberg


Tuve Johannesson


Jacob Wallenberg


Urban Jansson


Dr Hans-Joachim Körber


Tomas Nicolin


Christine Novakovic


Jesper Ovesen

MARCUS WALLENBERG [2) 5) 7)]

Born 1956; elected 2002, B. Sc. of Foreign Service.

Chairman since 2005.

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

Background: Marcus Wallenberg joined Investor in 1993 as Executive Vice President and was appointed President and Group Chief Executive in 1999. Prior to that he worked at Stora Feldmühle in Germany for three years. Marcus Wallenberg began his career at Citibank in New York 1980, followed by various positions at Deutsche Bank in Germany, S G Warburg Co in London and Citicorp in Hong Kong.
He joined SEB in 1985 and worked there until 1990.

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

Independent in relation to the bank and management, non-independent in relation to major shareholders.

TUVE JOHANNESSON [8)]

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

Deputy Chairman since 2007.

Other assignments: Chairman of Ecolean 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.

Background: Tuve Johannesson began his career at Tetra Pak in 1969 where he held various senior positions in South Africa , Australia and Sweden. In 1983 he was appointed Executive Vice President of Tetra Pak. He became President of VME, presently Volvo Construction Equipment, in 1988. He then became President of Volvo Car Corporation in 1995 , a position he held until 2000. Vice Chairman of the Board of Volvo Car Corporation 2000–2004.

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

Independent in relation to the bank and management, independent in relation to major shareholders.

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, the Knut and Alice Wallenberg Foundation, the CocaCola Company and Stockholm School of Economics.

Background: Jacob Wallenberg joined SEB in London in 1984. Thereafter he held various positions in SEB in Singapore, Hong Kong and primarily in Sweden. In 1990 he joined Investor as Executive Vice President and in 1993 he rejoined SEB. In 1997 he was appointed President and Group Chief Executive of the SEB Group and in 1998 Chairman of the Board. Jacob Wallenberg began his banking career at JP Morgan in New York in 1981.

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

Independent in relation to the bank and management, non-independent in relation to major shareholders (Chairman of Investor).

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 Bergendahls, Global Health Partner, HMS Networks, Rezidor Hotel Group and others. Director of Clas Ohlson, Höganäs and others.

Background: Urban Jansson joined SEB in 1966 where he held various management positions between 1972 and 1984. In 1984 he joined HNJ Intressenter (former subsidiary of the Incentive Group) as President and CEO. In 1990 Urban Jansson was appointed Executive Vice President of the Incentive Group. In 1992 he was appointed President and Group Chief Executive of Ratos. He left the company in 1998 and has since then held several board directorships.

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

Independent in relation to the bank and management, independent in relation to major shareholders.

DR HANS-JOACHIM KÖRBER

Born 1946; elected 2000; Ph. D.

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

Background: Hans-Joachim Körber joined Metro in 1985 and was appointed Member of the Management Board METRO AG in 1996 and President and Group Chief Executive in 1999. He resigned in October 2007. Körber began his career as Senior Controller at the Oetker Group in 1975.

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

Independent in relation to the bank and management, independent in relation to major shareholders.

TOMAS NICOLIN [6)]

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 Johnsons 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.

Background: Tomas Nicolin has broad experience in the financial sector and has been the CEO of Alecta, the Third National Swedish Pension Fund and E. Öhman J:or Fondkommission and has held a leading position in Handelsbanken.

Own and closely related persons' shareholding in SEB: 64,000 Class A-shares.

Independent in relation to the bank and its management, independent in relation to major shareholders.

CHRISTINE NOVAKOVIC [9)]

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

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

Background: Christine Novakovic began her career at Dresdner Bank in 1990. In 1992 she joined UBS in Germany and was appointed Head of Treasury and Chief of Staff. She has thereafter held leading positions in Citibank in Germany (Board of Managing Directors), Citibank in Hong Kong (Global Head of Warrants and Head of Corporate Finance Asia), Citibank Privatkunden in Germany (CEO and

Shareholding as of February 2010


Carl Wilhelm Ros


Annika Falkengren


Göran Lilja


Cecilia Mårtensson


Göran Arrius

responsible for Consumer business in Germany) and in HypoVereinsbank in Germany (member of the Executive Holding Board, Konzernvorstand).

Own and closely related persons' shareholding: 5,700 Class A-shares

JESPER OVESEN [3)]

Born 1957, elected 2004, Bachelor of Commerce (Econ) and MBA.

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

Background: Jesper Ovesen began his career at Price Waterhouse, where he worked between 1979 and 1989. Thereafter he was Vice President and Group Chief Executive of Baltica Bank. Between 1994 and 1998 he was Vice President and Head of Finance at Novo Nordisk. Thereafter he held positions as CFO of Den Danske Bank (1998–2002) and Lego Holding (2003–2006) before he joined KIRKBI Group as CEO in 2007. In january 2008 , Jesper Ovesen took office as CFO of TDC.

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

Independent in relation to the bank and management, independent in relation to major shareholders.

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.

Background: Carl Wilhelm Ros worked at Astra between 1967 and 1975. In 1975 he joined Alfa Laval where he was appointed Group Controller in 1978. 1985 he joined Ericsson as Senior Executive Vice President. He left the company 1999 and has since then held several directorships.

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

Independent in relation to the bank and management, independent in relation to major shareholders.

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.

Background: Annika Falkengren started as an SEB trainee in 1987 and worked in Trading & Capital Markets 1988–2000. She was appointed Global Head of Fixed Income in 1995, Global Head of Trading in 1997, Head of Merchant Banking in 2000. In 2001 she became Head of the Corporate & Institutions division and Executive Vice President of SEB and in 2004 Deputy Chief Executive Officer.

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

Non-independent in relation to the bank and management (President and CEO), independent in relation to major shareholders.

Directors appointed by the employees

GÖRAN LILJA

Born 1963; appointed 2006, Higher bank degree.

Chairman Financial Sector Union of Sweden SEB Group. Vice Chairman Regional Club Väst of the same union. Director of the European Works Council SEB Group in 2006.

Background: Göran Lilja joined SEB in 1984 where he held various positions. Vice Chairman of Financial Sector Union of Sweden Group and Chairman Regional Club Väst of the same union 2006–2008. Elected Chairman Financial Sector Union of Sweden SEB Group in 2008.

Own and closely related persons' shareholding: 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.

Background: Cecilia Mårtensson joined SEB in 1990 and has been a union representative since 1995. In 2004 she was elected vice Chairman of Financial Sector Union of Sweden SEB Group; in 2007 she was elected Chairman of local Club Group Operations of the same union.

Own and closely related persons' shareholding: 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.

Other assignment: Member of the Board of SACO.

Background: Göran Arrius began his career as a Naval Officer. In 1988 he joined Trygg Hansa Liv and has since then held various positions in the life insurance business. Göran Arrius works today as Product Specialist for occupational pensions at SEB Trygg Liv.

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

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


Annika Falkengren


Johan Andersson


Jan Erik Back


Fredrik Boheman


Magnus Carlsson


Ingrid Engström


Viveka Hirdman-Ryrberg


Martin Johansson

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.

Background: SEB trainee 1987. Trading & Capital Markets 1988–2000. Appointed Global Head of Fixed Income in 1995, Global Head of Trading in 1997 and Head of Merchant Banking in 2000. Head of the Corporate & Institutions division and Executive Vice President 2001–2005 and in 2004–2005 Deputy Chief Executive Officer.

Own and closely related persons' shareholding: 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.

Background: Different positions within the Merchant Banking division in Stockholm, New York and London 1980–94. Group Credits since 1995; Deputy Head of Group Credits and Risk 2000-2003.

Own and closely related persons' shareholding: 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 August 2008; B. Sc. (Econ).

Executive Vice President, Chief Financial Officer since 15 August 2008.

Background: Svenska Handelsbanken with various positions within finance 1986–1998. Skandia 1998–2007, where he after four years in various positions was appointed Chief Financial Officer. 2007–2008 First Senior Executive Vice President and CFO of Vattenfall.

Own and closely related persons' shareholding: 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 assignments: Director Teleopti.

Background: SEB trainee 1985. SEB in Sao Paulo and Branch Manager in Hong Kong 1994–1998. 1998–2002 Head of Corporate Clients and Head of Trade and Project Finance. 2002–2006 in Germany, first as Head of Merchant Banking, thereafter as CEO of SEB AG. Head of Asset Management October 2006.

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

MAGNUS CARLSSON

Born 1956; SEB employee since 1993; M. Sc.

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

Background: Bank of Nova Scotia in 1980–93, holding several leading positions in London. Head of Project & Structured Finance, SEB Merchant Banking in 1996, Head of Corporate Clients in 1999, later on Deputy Head of SEB Merchant Banking and Head of the SEB Merchant Banking division and Executive Vice President of SEB in 2005.

Own and closely related persons' shareholding: 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 26 March 2007.

Other assignments: Director of Teracom and Springtime.

Background: President ComHem 1998–2000, President and Chief Executive Officer KnowIT 2000–2003, and Executive Vice president Eniro with responsibility for Operations, Purchase and Human Resources 2003–2007.

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

VIVEKA HIRDMAN-RYRBERG

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

Head of Communications since September 2009.

Background: Consultant Coopers & Lybrand 1987–90. Analyst and asset manager within Wealth Management 1990–94. SEB's first Household Economist 1994–2000. Head of Products at SEB Trygg Liv (Life division) 2001–2004. Group Press Officer 2004–2006. Advisor and Head of CEO Office 2007–2009.

Own and closely related persons' shareholding: 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.

Background: Citgroup 1987–2005, first in Citibank Sweden, then in various assignments around the world , including Country Head in Portugal (1999–2002) and Country Head in Canada (2002–2005). Prior to that, three years in Indonesia as responsible for the Corporate Banking business and Corporate Finance and four years in Brazil as a Senior Banker. In 2005, he joined SEB as Global Head of Client Relationship Management within Merchant Banking.

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

Shareholding as of February 2010


Hans Larsson


Bo Magnusson


Anders Mossberg


Mats Torstendahl

HANS LARSSON

Born 1961; SEB employee since 1984; B. Sc. (Econ).

Head of Group Strategy and Business Development since January 2009.

Background: SEB Trading & Capital Markets 1984–2002; Head of Fixed Income 1986, TCM in New York 1988–1992 and Head of Debt Capital Markets from 1994. In 2002 appointed Deputy Global Head of Client Relationship Management. Head of SEB's Business Development and the CEO-office 2005–06 and Head of SEB Group Staff October 2006–December 2008.

Own and closely related persons' shareholding: 20,856 class A-shares, 17 class C-shares, an allotment of 148,402 performance shares and 20,601 deferral rights.

BO MAGNUSSON

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

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

Background: SEB Trading & Capital Markets 1982–1998, holding several leading positions as Head of Accounting and Controller within both Trading & Capital Markets, SEB Group Finance and Enskilda Securities. Chief Financial Officer of SEB Merchant Banking in 1998, Head of Staff Functions in 2000. Later on Global Head of Cash Management & Securities Services in 2003 and Deputy Head of SEB Merchant Banking in 2005. Head of Nordic Retail & Private Banking 2005–2006 and Head of Retail Banking 2007–2008.

Own and closely related persons' shareholding: 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.

Background: Skandia Försäkring AB 1981–85 and SEB since 1985. Head of the bank's life insurance operations in 1990. Head of SEB Trygg Liv since 1997. In 1998 Executive Vice President of SEB and Head of the then Asset Management & Life division.

Own and closely related persons' shareholding: 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 Banking division since January 2009.

Background: ABB 1985–87. Östgöta Enskilda Bank 1987–2000, i.a. as branch manager in Stockholm 1996–2000. Appointed Executive Vice President of Danske Bank in Sweden in 2001. Senior Executive Vice President of Danske Bank Sweden and member of Danske Bank Group Executive Committee 2004–2008.

Own and closely related persons' shareholding: 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.

Annual General Meeting

The Annual General Meeting will be held on Tuesday 11 May, 2010 at 14 p.m. (Swedish time) at City Conference Centre, 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, SE-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 home page of the Bank, www.sebgroup.com, on Wednesday 5 May, 2010, at the latest.

Dividend

The Board proposes a dividend of SEK 1.00 for 2009.

Addresses

Head Office

Group Executive Committee
Postal Address: SE-106 40 Stockholm
Visiting Address: Kungsträdgårdsgatan 8
Telephone: +46 771 62 10 00
+46 8 22 19 00 (management)

Divisions

Merchant Banking
Postal Address: SE-106 40 Stockholm
Visiting Address: Kungsträdgårdsgatan 8
Telephone: +46 771 62 10 00

Retail Banking
Postal Address: SE-106 40 Stockholm
Visiting Address: Sergels Torg 2
Telephone: +46 771 62 10 00

Wealth Management
Postal Address: SE-106 40 Stockholm
Visiting Address: Sveavägen 8
Telephone: +46 771 62 10 00

Life
Postal Address: SE-106 40 Stockholm
Visiting Address: Sergels Torg 2
Telephone: +46 771 62 10 00

Baltic
Postal Address: SE-106 40 Stockholm
Visiting Address: Kungsträdgårdsgatan 8
Telephone: +46 771 62 10 00

Skandinaviska Enskilda Banken AB's corporate registration number: 502032-9081

Production: SEB and Intellecta Communication AB • Photos: Joachim Lundgren, Tomas Gidén and SEB • Printing: Elanders • SEGR0028 2010.03